

# Exhibit 4

AARON ETRA, ESQ.

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK

-----x  
BENTHOS MASTER FUND, LTD.,  
Plaintiff,  
v.

HUGH AUSTIN  
a/k/a EUGENE W. AUSTIN,  
JOHN AUSTIN, BRANDON AUSTIN,  
VALKYRIE GROUP LLC  
and VALHALLA VENTURE GROUP LLC,  
Defendants.

-----x  
Index No. 151823/2019

-----x  
April 12, 2019  
9:36 a.m.

Deposition of AARON ETRA, ESQ., taken  
by Plaintiff, pursuant to Subpoena Duces Tecum  
and Ad Testificandum, dated February, 20, 2019,  
at the offices of Kleinberg, Kaplan, Wolff &  
Cohen, P.C., 551 Fifth Avenue, 18th Floor, New  
York, New York, before Brandon Rainoff, a  
Federal Certified Realtime Reporter and Notary  
Public of the State of New York.

AARON ETRA, ESQ.

A P P E A R A N C E S:

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AARON ETRA, ESQ.

Appearing Pro Se

445 Park Avenue

9th Floor

New York, New York 10022

BY: AARON ETRA, ESQ.

aaron@etra.com

AARON ETRA, ESQ.

ALSO PRESENT:

JULIA HENRY, Kleinberg, Kaplan, Wolff & Cohen, P.C.

AARON ETRA, ESQ.

I N D E X O F E X A M I N A T I O N

Witness:

Aaron Etra, Esq.

Examination:

By Mr. Bromberg.....Page 11

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Discovery Requests

By Mr. Bromberg.....Page 144

any authorization by Valkyrie or any representative  
of Valkyrie to the witness to send money based on  
instructions provided to the witness by Mr. Kaslov,  
Ms. Evans, or Mr. Le

By Mr. Bromberg.....Page 185

Any further correspondence with the Austins that the  
witness has not provided

AARON ETRA, ESQ.

I N D E X O F E X H I B I T S

Etra 1 .....14

Multipage document entitled: Subpoena Duces Tecum and  
Ad Testificandum, dated February 20, 2019 (no Bates  
Nos.)

Etra 2 .....18

Multipage e-mail chain, top e-mail From: Aaron Etra,  
To: Joshua K. Bromberg and Steven Popofsky, Subject:  
RE: Benthos Master Fund v. Austin, et al., Index No.  
151823/2019 (Sup. Ct. N.Y. Cnty 2019), Sent: April 3,  
2019 (no Bates Nos.)

Etra 3 .....21

Two-page document bearing heading: Aaron Etra (no  
Bates Nos.)

Etra 4 .....23

Two-page document bearing heading: The Rowfant Club  
(no Bates Nos.)

AARON ETRA, ESQ.

Etra 5 .....25

Multipage document entitled: Summons and Complaint,  
dated February 19, 2019 (no Bates Nos.)

Etra 6 .....27

Document Bates stamped AE\_00001 through AE(SUP)\_545,  
three-page e-mail chain, top e-mail From: Tracy  
Evans, To: Aaron Etra, Subject: Fwd: Update, Sent:  
November 22, 2018, with multipage attachments

Etra 7 .....43

Document Bates stamped TE-0001 through 953, five-page  
document entitled: Benthos - Doos That Are Ready to  
be Sent for Subpoena on 3/27/19, with UPS mailing  
label cover page and multipage attachments

Etra 8 .....47

Document Bates stamped AS(SUP)\_00546 through 556,  
four-page document entitled: Documents produced by  
Aaron Etra pursuant to Subpoena Duces Tecum, dated  
February 20, 2019, in the Matter of Benthos Mater  
Funds, Ltd., Plaintiff, against Hugh Austin, et al.,  
Index No. 151823/2019, with multipage attachments

AARON ETRA, ESQ.

Etra 9 .....66

Multipage document entitled: Private Deed of  
Agreement for Bitcoin Asset Exchange/Transaction,  
dated July 23, 2018 (no Bates Nos.)

Etra 10 .....67

Single-page e-mail From: Brandon Austin, To:  
gerald@benthoscap.com and others, Subject: Benthos  
Capital BTC Contract (Citibank Aaron Etra Deal),  
Sent: July 31, 2018 (no Bates No.)

Etra 11 .....69

Multipage document entitled: BTC Agreement No.  
CDKTEBPA073118BC, dated July 31, 2018 (no Bates Nos.)

Etra 12 .....91

Single-page e-mail From: Hugh Austin, To:  
gerald@benthoscap.com, Subject: Latest Draft from  
Aaron and Tracy, Sent: August 3, 2018 (no Bates No.)

Etra 13 .....92

Multipage document entitled: BTC Agreement:  
Transaction Code No. CDKTEBPA080218SUB (no Bates  
Nos.)



AARON ETRA, ESQ.

Etra 14 .....107

Four-page e-mail chain, top e-mail From: Brandon Austin, To: gerald@benthoscap.com and Brandon Austin, Subject: Signed Docs, Sent: August 4, 2018 (no Bates Nos.)

Etra 15 .....107

Multipage document entitled: BTC Agreement: Transaction Code No. CDKTEBPA080218SUB (no Bates Nos.)

Etra 16 .....107

Single-page document entitled: Client Information Summary, with attachments

Etra 17 .....118

Multipage e-mail chain, top e-mail From: Brandon Austin, To: Gerald Fong and others, Subject: Benthos (Buyer) KYC AML, Sent: August 4, 2018 (no Bates Nos.)

Etra 18 .....130

Single-page document bearing passport copy of Minh Hoang Le (no Bates No.)

AARON ETRA, ESQ.

Etra 19 .....145

Two-page document entitled: Answer to Questions in  
OSC Requested of Aaron Etra [Questions 1, 2, 3, 4 - 2  
pages] (no Bates Nos.)

Etra 20 .....145

Four-page document bearing heading on first page:  
Instructions to Aaron Etra, Esq., Escrow Agent, for  
Transaction Codes: CDKTEBPA073118XXX and  
CDKTEBPA073118SUB (no Bates Nos.)

Etra 21 .....145

Four-page document bearing heading on first page:  
Completed Wire Detail (no Bates Nos.)

Etra 22 .....157

Three-page document entitled: China CITIC Bank  
International Cross-border Banking (no Bates Nos.)

Etra 23 .....218

Single-page e-mail From: Gerald Fong, To: Tracy  
Evans, Subject: Questions, Sent: August 29, 2018 (no  
Bates No.)

AARON ETRA, ESQ.

Etra 24 .....218

Single-page letter from Mark J. Hyland to Aaron Etra,  
dated August 31, 2018 (no Bates No.)

Etra 25 .....278

Four-page document entitled: Judgment, dated October  
30, 2014 (no Bates Nos.)

Etra 26 .....279

Single-page document entitled: Grasshoff v. Etra  
Opinion, dated January 19, 2016 (no Bates No.)

Etra 27 .....285

Multipage document entitled: Complaint, dated March  
1, 2019 (no Bates Nos.)

1 AARON ETRA, ESQ.

2 \* \* \*

3 P R O C E E D I N G

4 Friday, April 12, 2019

5 New York, New York

6 9:36 a.m.

7 \* \* \*

8 AARON ETRA,

9 having been duly sworn, was examined and

10 testified as follows:

11 EXAMINATION

12 BY MR. BROMBERG:

13 Q. Good morning, Mr. Etra. Thank you for  
14 being here with us.

15 A. Good morning.

16 Q. My name is Joshua Kolman Bromberg of  
17 Kleinberg, Kaplan, Wolff & Cohen. I represent  
18 Benthos Master Fund in this action.

19 With me today is my colleague, Steven  
20 Popofsky, also of the firm of Kleinberg, Kaplan,  
21 and Julia Henry, a paralegal who is employed by  
22 our firm.

23 Have you ever been deposed before, Mr.  
24 Etra?

25 A. Yes.

1 AARON ETRA, ESQ.

2 Q. In what proceeding were you deposed?

3 A. It was quite some time ago, so I don't  
4 have a clear recollection.

5 Q. Approximately how many years ago was  
6 it?

7 A. Oh, six or seven years ago.

8 Q. What kind of action was that  
9 deposition?

10 A. I was a witness in that deposition.

11 Q. Were you a party to the action?

12 A. Not in that case, no.

13 Q. Is that the only occasion on which you  
14 have provided testimony?

15 A. No.

16 Q. On what other occasion have you  
17 provided deposition testimony?

18 A. In another action again. In that  
19 case, I was a party.

20 Q. What was the name of that case?

21 A. I don't recollect the exact name of  
22 the case, but it was involving a Mr. Grasshoff.

23 Q. You are an attorney, so I will assume  
24 you are generally familiar with the process.  
25 But just to be clear, if you could please let me

1 AARON ETRA, ESQ.

2 finish the question when I am asking a question,  
3 I will also endeavor to allow you to finish your  
4 answers --

5 A. Yes.

6 Q. -- I would appreciate that.

7 If you need to take a break from time  
8 to time, that's fine. But I'll ask that you  
9 please not do so while there is a question  
10 pending.

11 So if I have asked a question, could  
12 you please answer the question before you  
13 request to take a break?

14 A. Yes.

15 Q. If you answer a question, I'm going to  
16 assume that you understand the question.

17 Is that fair?

18 A. Yes.

19 Q. Are you under the influence of alcohol  
20 or any drugs that would impair your ability to  
21 testify today?

22 A. No.

23 MR. BROMBERG: Mark this 1, please.  
24  
25

1 AARON ETRA, ESQ.

2 (Exhibit Etra 1, Multipage document  
3 entitled: Subpoena Duces Tecum and Ad  
4 Testificandum, dated February 20, 2019 (no Bates  
5 Nos.), marked for identification)

6 BY MR. BROMBERG:

7 Q. We are looking at a document that's  
8 been marked Exhibit 1, and it's a Subpoena Duces  
9 Tecum and Ad Testificandum to you, dated  
10 February 20, 2019.

11 Do you recognize this document?

12 A. Yes.

13 Q. Do you recall when you received this  
14 document?

15 A. No.

16 Q. You are appearing today pursuant to  
17 the subpoena, correct?

18 A. I agreed to appear.

19 Q. Now, you said you don't recall seeing  
20 this document but you recognize it.

21 Can you explain that?

22 A. You asked me: Do I recall when I  
23 received it?, and I --

24 Q. You don't recall receiving it?

25 A. I don't recall when I received it, no.

1 AARON ETRA, ESQ.

2 Q. You don't recall whether you received  
3 it by --

4 A. When I received it.

5 Q. How did you receive this document?

6 A. My best recollection was I received a  
7 mail copy of it.

8 Q. At what location?

9 A. I believe it was delivered to my  
10 office address.

11 Q. That's 445 Park Avenue --

12 A. Yes.

13 Q. -- 9th floor?

14 A. Yes.

15 Q. Is that a private office?

16 A. No.

17 Q. What type of office is that?

18 A. It's a Regus office.

19 Q. What is a Regus office?

20 A. It's a shared office space, operated  
21 by the Regus company.

22 Q. Do you have a dedicated office there?

23 Or is it -- is it, like, a rotating  
24 office that other lawyers would use?

25 A. I do not have a dedicated office, no.



1 AARON ETRA, ESQ.

2 Q. Can you tell us a little bit about  
3 your background, sir?

4 A. Could you be more specific?

5 Q. What's your educational background?

6 A. At what level would you like me to  
7 start?

8 Q. Start from high school, if you please?

9 A. I went to high school, to the Horace  
10 Mann school.

11 I went to college at Yale University.

12 I did a first law degree at Columbia  
13 University, and a second law degree at NYU  
14 University.

15 Q. How many years have you been  
16 practicing as an attorney?

17 A. I was admitted in 1966.

18 Q. Where is your current residence?

19 A. I live at 240 East 47th Street in New  
20 York City.

21 Q. Is that an apartment?

22 Or a house?

23 A. It's an apartment.

24 Q. What apartment?

25 A. 12A.

1 AARON ETRA, ESQ.

2 Q. Did you previously live at 985 Fifth  
3 Avenue?

4 A. Yes, I did.

5 Q. What apartment did you reside at 985  
6 Fifth Avenue?

7 A. 4B.

8 Q. Was that a rental?

9 Or did you own that apartment?

10 A. It was a rental apartment.

11 Q. How much was the rent, if I may ask?

12 A. I don't recollect. The rent varied  
13 over time. I don't recollect the last rental  
14 price.

15 Q. And your current residence at 240 east  
16 47th, Apartment 12A -- is that a rental?

17 Or do you own that apartment?

18 A. It's a sub-tenancy.

19 Q. Sub-tenancy.  
20  
21  
22  
23  
24  
25

1 AARON ETRA, ESQ.

2 (Exhibit Etra 2, Multipage e-mail  
3 chain, top e-mail From: Aaron Etra, To: Joshua  
4 K. Bromberg and Steven Popofsky, Subject: RE:  
5 Benthos Master Fund v. Austin, et al., Index No.  
6 151823/2019 (Sup. Ct. N.Y. Cnty 2019), Sent:  
7 April 3, 2019 (no Bates Nos.), marked for  
8 identification)

9 MR. BROMBERG: I have handed you a  
10 document which has been marked Exhibit 2. And  
11 that's an e-mail chain between myself and you.  
12 And it terminates in an e-mail from you to me,  
13 dated Wednesday, April 3rd, 2019, at 10:50 a.m.

14 BY MR. BROMBERG:

15 Q. Do you recognize this e-mail chain?

16 (Pause)

17 A. I can't say if it's complete.

18 I do recognize some of the e-mails in  
19 it, yes.

20 Q. And the e-mail at the top is an e-mail  
21 that you sent to me, correct?

22 A. Correct.

23 Q. And it was during the course of this  
24 e-mail chain that you agreed to appear today on  
25 April 12th, rather than the date set forth in

1 AARON ETRA, ESQ.

2 the exhibit, correct?

3 A. Yes.

4 Q. Do you see at the top where it says,  
5 on the third line of your e-mail: You and your  
6 colleagues seem only capable of making threats  
7 and misconstruing the action of persons who have  
8 been selflessly trying to assist your clients?

9 A. Yes.

10 Q. Can you tell us what you have done  
11 recently to assist Benthos Master Fund in  
12 recovering its \$4.6 million?

13 A. Being available to potentially  
14 interested parties who might be able to deal  
15 with the problem that had been developed in  
16 consummating the arrangements with Benthos.

17 Q. Can you elaborate on that?

18 A. Yes.

19 There are people who were interested  
20 in purchasing bitcoins. And to the best of my  
21 knowledge and belief, the seller to whom Benthos  
22 was connected had those bitcoins. And those  
23 bitcoins would be available for sale under  
24 certain terms and conditions.

25 And my effort -- to the extent that I

1 AARON ETRA, ESQ.

2 can -- is to assist in trying to finalize those  
3 arrangements for -- that had been desired by  
4 Benthos and the parties with whom Benthos dealt.

5 So the fact that there is still  
6 interest in bitcoins, I have held myself  
7 available to try to arrange for the consummation  
8 of the originally-planned sale to Benthos.

9 Q. Have you made any effort to effect the  
10 return of Benthos' \$4.6 million?

11 A. Yes.

12 Q. What were those efforts?

13 A. I've conveyed through the  
14 seller/owner's representative the desirability  
15 of either returning the funds or in some way  
16 arranging for the return of those monies to  
17 Benthos, either by consummating the sale --  
18 which would be the way that the seller has  
19 indicated to us is the way to do it -- or any  
20 other way that could result in Benthos receiving  
21 the funds back.

22 Q. You mentioned the seller/owner's  
23 representative.

24 Who is that person?

25 A. That's Tracy Evans.

1 AARON ETRA, ESQ.

2 Q. Who does Ms. Evans represent?

3 A. She represents Dmitri Kaslov.

4 (Exhibit Etra 3, Two-page document  
5 bearing heading: Aaron Etra (no Bates Nos.),  
6 marked for identification)

7 BY MR. BROMBERG:

8 Q. Do you recognize the document that's  
9 been marked as Exhibit 3, sir?

10 A. I do not.

11 Q. I'm representing to you, sir, that  
12 this is a webpage which is taken from United  
13 Nations Association. And you can see at the  
14 bottom, there is a URL:  
15 [www.unasny.org/aaronetra@html](http://www.unasny.org/aaronetra@html).

16 Do you see that, sir?

17 A. I do see it.

18 Q. Are you the person who appears on this  
19 webpage?

20 A. It is my picture. I didn't create the  
21 page, but it's my picture.

22 Q. What is the United Nations  
23 Association?

24 A. United Nations Association is a  
25 voluntary organization of individual and

1 AARON ETRA, ESQ.

2 organizational members that support the work of  
3 the United Nations. It's a not-for-profit  
4 organization based primarily in Washington, D.C.

5 But the United Nations Association,  
6 Southern New York State division is the part of  
7 it based in New York City.

8 Q. Is the United Nations Association  
9 officially affiliated with the United Nations?

10 A. It's a so-called NGO --  
11 non-governmental organization.

12 Q. Do you see about halfway down in the  
13 first paragraph where it says: President & CEO,  
14 INDEVA Corporation?

15 A. Yes.

16 Q. What is the INDEVA Corporation?

17 A. INDEVA Corporation was a company  
18 originally set up to do real estate development  
19 and to provide consulting services in real  
20 estate.

21 Q. You say that it was.

22 Does INDEVA Corporation still exist?

23 A. Yes.

24 Q. Does INDEVA Corporation have assets?

25 A. No.

1 AARON ETRA, ESQ.

2 Q. What business does INDEVA Corporation  
3 currently carry on?

4 A. Consulting.

5 Q. What type of consulting?

6 A. In real estate.

7 Q. Do you have any income through the  
8 INDEVA Corporation?

9 A. I currently have had no income from  
10 INDEVA Corporation, no.

11 Q. For how long?

12 A. To the best of my recollection, more  
13 than 25 years.

14 Q. Do you have a website sir?

15 A. I do.

16 Q. What is the address of that website?

17 A. Etra.com.

18 Q. What is the Rowfant Club?

19 A. Rowfant Club? I don't recollect any  
20 knowledge of it.

21 MR. BROMBERG: Can you mark this 4?

22 (Exhibit Etra 4, Two-page document  
23 bearing heading: The Rowfant Club (no Bates  
24 Nos.), marked for identification)

25



1 AARON ETRA, ESQ.

2 BY MR. BROMBERG:

3 Q. Do you recognize this document, sir?

4 A. I do not.

5 Q. Do you see at the bottom of the page  
6 where it says: Aaron.etra.com?

7 A. Yes. That is not any website of mine.

8 Q. Didn't you previously testify that  
9 your website is etra.com?

10 A. Correct, but this is aaron.etra.com.  
11 It's not the same thing.

12 Q. Your domain name is etra.com, correct?

13 A. The domain is etra.com, yes.

14 Q. So it's your testimony as you sit here  
15 today that you don't know what The Rowfant Club  
16 is and this is not your website?

17 A. Correct.

18 Q. Have you made any recent changes to  
19 your website?

20 A. I have not.

21 My webmaster periodically does make  
22 changes. There are people who do hack in and he  
23 needs to respond to it.

24 But I've not made any changes  
25 personally.

1 AARON ETRA, ESQ.

2 Q. You say there are people who hack into  
3 your website?

4 A. There are people who hack into every  
5 website.

6 Q. Are there, in fact, people who have  
7 hacked into your website?

8 A. I have no direct knowledge of that.

9 Q. Do you have reason to think that  
10 someone has hacked your website?

11 A. I do.

12 Q. What is that?

13 A. Because that happens to just about  
14 everybody that I know; and no reason why I would  
15 be any less vulnerable than anyone else.

16 Q. Can you think of any particular  
17 individual who would want to hack your website?

18 A. No.

19 (Exhibit Etra 5, Multipage document  
20 entitled: Summons and Complaint, dated February  
21 19, 2019 (no Bates Nos.), marked for  
22 identification)

23 MR. BROMBERG: I've handed you a  
24 document now marked Exhibit 5. And this is a  
25 Summons and Complaint in the action Benthos

1 AARON ETRA, ESQ.

2 Master Fund, Limited versus Hugh Austin, et al.

3 BY MR. BROMBERG:

4 Q. Have you seen this document before?

5 A. I don't recollect seeing it.

6 Q. Do you know what this document is?

7 A. Only by looking what it says on its  
8 face.

9 Q. Did you discuss with anyone that you  
10 intended to appear today to testify in this  
11 proceeding?

12 A. No.

13 Q. Did you discuss it with Ms. Evans?

14 A. I didn't discuss it. She knows that I  
15 was going to be deposed.

16 Q. Did you discuss it with any person  
17 other than Ms. Evans?

18 A. No.

19 Q. Did you discuss this with any member  
20 of the Austin family?

21 A. No.

22 Q. Have you recently been in contact with  
23 any member of the Austin family?

24 When I say "the Austin family," I mean  
25 Hugh Austin, Brandon Austin, John Austin, or any

1 AARON ETRA, ESQ.

2 other related person that you know of.

3 A. Not recently, no.

4 Q. When was the last time you recall  
5 having any contact with any member of the Austin  
6 family?

7 A. The best of my recollection, it was  
8 sometime in February.

9 (Exhibit Etra 6, Document Bates  
10 stamped AE\_00001 through AE(SUP)\_545, three-page  
11 e-mail chain, top e-mail From: Tracy Evans, To:  
12 Aaron Etra, Subject: Fwd: Update, Sent: November  
13 22, 2018, with multipage attachments, marked for  
14 identification)

15 MR. BROMBERG: Sir, you have been  
16 handed a document that's been marked Exhibit 6.

17 BY MR. BROMBERG:

18 Q. And you'll see that it has stamps at  
19 the bottom, which we refer to as Bates stamps?

20 A. Yes.

21 Q. And those stamps begin AE\_ 00001 and  
22 they continue through AE (SUP) underscore 00545.

23 Do you see that?

24 A. I see the 0001 --

25 (Pause)

1 AARON ETRA, ESQ.

2 A. -- yes, I see the last page is  
3 AE(SUP)\_000545.

4 Q. These are the documents produced by  
5 your counsel in the federal court proceeding,  
6 correct?

7 A. I would have to examine them to be  
8 able to answer your question.

9 Q. Do you have any reason to believe that  
10 these are not the documents produced by your  
11 counsel?

12 A. I have no reason to believe one way or  
13 the other. But if you say that that's what you  
14 believe them to be, I accept your -- your  
15 statement.

16 Q. That is my representation to you, sir,  
17 that these are documents --

18 A. Okay.

19 Q. -- produced by your counsel.

20 And when I say "AE" and a number, I  
21 mean "AE" and the last two or three numbers in  
22 that sequence. And I'm going to omit the  
23 underscore and zeros from now on.

24 Can we agree to that?

25 A. You are going to omit --

1 AARON ETRA, ESQ.

2 Q. I'm just going to say "AE" and a  
3 number I'm not going to say "underscore zero  
4 zero" any more.

5 A. Yes.

6 Q. When you previously searched your  
7 e-mails and produced documents to us, how did  
8 you search your e-mails?

9 A. I looked at my computer and tried to  
10 find any relevant documents, any relevant  
11 correspondence, any relevant material.

12 Q. How did you determine which material  
13 was relevant?

14 A. I gave all that I found that were  
15 relevant to what I was asked to provide.

16 Q. When you searched for the e-mails on  
17 your computer, were you searching on a webmail?

18 Were you using a web client?

19 Or were you using --

20 A. No.

21 Q. -- an e-mail application?

22 A. I just looked in my e-mails. I don't  
23 have any of those tools.

24 Q. And did you simply look at a list of  
25 e-mails and pick e-mails out of that list?

1 AARON ETRA, ESQ.

2 Or did you use search terms to find  
3 the e-mails?

4 A. I looked in respect of what I was  
5 asked to produce, and I looked for anything that  
6 was relevant to that request.

7 Q. Do you have a cellphone, sir?

8 A. Yes.

9 Q. In the course of searching for and  
10 producing documents, did you look at your  
11 cellphone?

12 A. I don't retain anything on my  
13 cellphone, so I didn't look at my cellphone.

14 Q. Did you send and receive e-mails on  
15 your cellphone?

16 A. I don't use it for e-mails. I use my  
17 computer for e-mails.

18 Q. What about text messages?

19 Do you send and receive text messages?

20 A. Yes.

21 Q. Did you search your phone for relevant  
22 text messages?

23 A. Yes. I don't retain those messages on  
24 my cellphone.

25 Q. When you say that you don't retain

1 AARON ETRA, ESQ.

2 them, what do you mean by that?

3 A. If I get them, I erase them and -- to  
4 leave space on my cellphone for going forward.

5 Q. It is your testimony, sir, that when  
6 you receive a text message after reading it, you  
7 immediately delete it?

8 A. No, I sometimes do not do it  
9 immediately.

10 Q. How long is it before you delete your  
11 test message?

12 A. It would vary.

13 Q. Can you tell me how you came to be  
14 acquainted with Ms. Evans?

15 A. Yes, an elderly lady who was  
16 introduced to me indicated that she was  
17 befriended by Ms. Evans.

18 Q. Who was that other lady?

19 A. Victoria Veronica, by name.

20 Q. I'm sorry.

21 Victoria? --

22 A. Veronica.

23 Q. Veronica -- what was her last name?

24 A. Victoria.

25 Q. Veronica Victoria?



1 AARON ETRA, ESQ.

2 A. Yes, to the best of my knowledge.

3 It's a question of what her full and  
4 correct name is.

5 She has since passed away.

6 Q. So Veronica Victoria introduced you to  
7 Ms. Evans?

8 A. Yes.

9 Q. Approximately when was that?

10 A. Approximately eight years ago.

11 Q. What was your relationship with Ms.  
12 Victoria?

13 A. I used to take her out to tea, if she  
14 was physically able, once a week.

15 Q. That was your only relationship with  
16 Ms. Victoria -- you occasionally got tea with  
17 her?

18 A. And this was an occasion where she  
19 would be able to talk to me and to have some  
20 social activity.

21 Q. So you were a friend to Ms. Victoria.  
22 Were you employed by her in any  
23 capacity?

24 A. No.

25 Q. Did you ever provide legal advice to

1 AARON ETRA, ESQ.

2 Ms. Victoria?

3 A. No.

4 Q. Did you ever receive any money from  
5 Ms. Victoria?

6 A. No.

7 Q. How is it that Ms. Victoria came to  
8 introduce you to Ms. Evans?

9 A. She indicated that Ms. Evans was the  
10 last friend that she had in the world.

11 Q. Did she tell you how she knew Ms.  
12 Evans?

13 A. She did.

14 Q. What did she tell you about her  
15 relationship with Ms. Evans?

16 A. She said that Ms. Evans had been a  
17 paralegal in a law firm that she had -- she had  
18 known.

19 Q. A paralegal at a law firm she had  
20 worked with?

21 Or she had known of?

22 A. I think she didn't work at that law  
23 firm, but they were friendly to her. They had  
24 assisted her.

25 Q. Do you recall the name of that firm?

1 AARON ETRA, ESQ.

2 A. I do not.

3 Q. And what, if you can tell us, was the  
4 relationship that Ms. Victoria had with Ms.  
5 Evans?

6 A. Ms. Evans was a true friend to her.  
7 She enabled her to shop. She enabled her to  
8 essentially deal with the necessities of life  
9 that she, as an elderly, quite incapacitated,  
10 person, could not. And she did that for the --  
11 right on through the last days of her life.

12 Q. So Ms. Victoria introduced you to Ms.  
13 Evans as her last friend in the world and  
14 what -- strike that.

15 Why did you continue to have a  
16 relationship with Ms. Evans following the death  
17 of Ms. Victoria?

18 A. I did not have a relationship with Ms.  
19 Evans for some time thereafter.

20 Q. Approximately when did Ms. Victoria  
21 die?

22 A. To the best of my recollection, it  
23 would be three or four years ago.

24 Q. And you didn't have any contact with  
25 Ms. Evans from what time to what time?

1 AARON ETRA, ESQ.

2 A. Well, from then until the middle of  
3 2018, or thereabouts -- best of my recollection,  
4 sometime in 2018.

5 Q. What were the circumstances under  
6 which you reconnected with Ms. Evans in  
7 mid-2018?

8 A. She contacted me.

9 Q. How did she contact you?

10 A. By telephone.

11 Q. What did she say on that occasion?

12 A. She asked whether I was providing  
13 paymaster services.

14 Q. Do you recall approximately when this  
15 phone call occurred?

16 A. I do not.

17 I believe, though, it was sometime in  
18 2018 -- early-to-middle 2018.

19 Q. So Ms. Evans -- whom you had been  
20 introduced to by Ms. Victoria four years  
21 prior -- called you out of the blue and asked  
22 you if you provided paymaster services.

23 Is that correct?

24 A. I don't want to characterize "out of  
25 the blue." She called me.

1 AARON ETRA, ESQ.

2 Q. Were you expecting her call?

3 A. I was -- no reason to expect the call.

4 Q. And you hadn't heard from her in three  
5 to four years, correct?

6 A. To my recollection, no.

7 She may have called once or twice just  
8 to say hello and check in, since we had really  
9 done a lot of work together in the last days of  
10 Victoria Veronica's life.

11 Q. What work did you do in the last days  
12 of Ms. Veronica's life?

13 A. We were able to get her into hospitals  
14 and rehabilitation facilities. We visited her  
15 as often as we could. We tried to make her last  
16 days as pleasant as possible.

17 Q. Was Ms. Veronica a woman of means?

18 A. No.

19 Q. Do you know if she left any money or  
20 other property to Ms. Evans?

21 A. To my recollection, no.

22 But I have know way of knowing that  
23 myself.

24 But to the best of my recollection,  
25 no, because she had none to leave.

1 AARON ETRA, ESQ.

2 Q. What was the reason that you and Ms.  
3 Evans put in so much work for Ms. Victoria?

4 A. I think we really believed that she  
5 didn't have any people in the world to help her.  
6 And whatever we could do was something -- was  
7 worth doing on a humanitarian basis.

8 Q. That's kind of you.

9 A. Thank you.

10 Q. So Ms. Evans called you and asked you  
11 if you provide paymaster services.

12 And do you, in fact, provide paymaster  
13 services?

14 A. Yes.

15 Q. What does it mean to provide paymaster  
16 services?

17 A. I'm asked to receive and distribute  
18 funds to several parties on a transaction.

19 Q. How is that different than acting as  
20 an escrow agent?

21 A. An escrow agent typically would  
22 receive the funds prior to a transaction.

23 Paymaster would typically distribute  
24 the proceeds from a transaction.

25 They are really two sides of the same

1 AARON ETRA, ESQ.

2 function.

3 Q. When Ms. Evans asked if you provide  
4 paymaster services, what was your response?

5 A. I said: Yes.

6 Q. Can you tell us more about that  
7 conversation?

8 A. She indicated that somebody with whom  
9 she had worked for a long time needed such  
10 services.

11 Q. Can you tell us more?

12 A. She mentioned Dmitri Kaslov as that  
13 person.

14 Q. Who did she say is Dmitri Kaslov?

15 A. She said that Dmitri Kaslov was  
16 someone who was in the fuel oil trading business  
17 and that she had worked with him for quite some  
18 time.

19 Q. Did she tell anything about the kind  
20 of work she had done with Mr. Kaslov?

21 A. No.

22 Q. Did she give you any other information  
23 about Mr. Kaslov?

24 A. She did provide, at my request,  
25 information about him -- basically -- basic data

1 AARON ETRA, ESQ.

2 about him.

3 Q. What basic data was that?

4 A. Where he -- where he lived, what  
5 country he was a national of, and that basic  
6 information.

7 Q. What services did Ms. Evans ask you to  
8 provide for Mr. Kaslov?

9 A. She indicated that Mr. Kaslov wanted  
10 to sell certain of his assets, and that a  
11 paymaster would be useful for that activity.

12 Q. What assets, according to Ms. Evans,  
13 was Mr. Kaslov looking to sell?

14 A. She indicated that he had a supply of  
15 bitcoins and he would like to sell some of them.

16 Q. How many bitcoins did Ms. Evans say  
17 that Mr. Kaslov was looking to sell?

18 A. My recollection was she said that he  
19 had a total of close to 900,000 of them.

20 Q. What is the approximate market value  
21 of 900,000 bitcoins, if you know?

22 A. It varies by the second, so I can't  
23 tell you.

24 Q. Do you know the approximate price of  
25 bitcoin?



1 AARON ETRA, ESQ.

2 A. At the moment, I believe it's  
3 somewhere between 5,000 and 6,000 for a bitcoin.  
4 I haven't checked recently.

5 Q. What is the approximate value of  
6 900,000 -- 900 million bitcoins at --

7 A. It's not 900 million. It's 900,000.

8 Q. -- 900,000 bitcoins.

9 A. Again, you can't really fix an  
10 approximate value, because it's a movable target  
11 and the price varies with each transaction.

12 So any transaction impacts on the  
13 price of a bitcoin. If you want to multiply  
14 9,000 by -- 900,000 by 5,000, you have that  
15 approximate number. But that's not a realistic  
16 way to determine the price.

17 Q. Well, if you do multiply 900,000 by  
18 5,500, you get 4.950 billion?

19 A. Yes.

20 Q. So would it be fair to say that was  
21 the approximate value of the bitcoins that Mr.  
22 Kaslov purportedly had?

23 A. Again, the price varies. They have  
24 been as low as between 2,000 and 3,000, and as  
25 high as between 7,000 and 8,000. So this -- you

1 AARON ETRA, ESQ.

2 can't determine it except at the time that you  
3 are looking to sell.

4 And if you are selling, your sales, as  
5 well, impact on the price. And a large sale  
6 could bring the price down.

7 Q. So we can agree that Mr. Kaslov  
8 purported to own many billions of dollars worth  
9 of bitcoins, correct?

10 A. That's your assessment.

11 I indicated to you how people look at  
12 it realistically.

13 Q. I understand.

14 Did Ms. Evans tell you how she came to  
15 be acquainted with Mr. Kaslov?

16 A. To the best of my recollection, she  
17 just said that she had been working with him for  
18 several years. She didn't indicate how they  
19 started.

20 Q. She didn't tell you anything about how  
21 she met Mr. Kaslov?

22 A. She did not. To the best of my  
23 recollection, I don't remember her ever  
24 saying -- telling me that.

25 Q. Did she tell you whether she had ever

1 AARON ETRA, ESQ.

2 met Mr. Kaslov?

3 A. To the best of my recollection, she  
4 did not tell me.

5 Q. Did you ever ask her?

6 A. No.

7 (Pause)

8 Q. After Ms. Evans asked to you assist  
9 with selling Mr. Kaslov's bitcoins, did you  
10 subsequently proceed with that?

11 A. Yes.

12 Q. And how did you go about finding a  
13 buyer for Mr. Kaslov's bitcoins?

14 A. I didn't find a buyer.

15 The first -- to the best of my  
16 recollection, the buyers contacted both Ms.  
17 Evans and me -- several of them -- and that's  
18 how the process developed.

19 (Pause)

20 Q. How did you come to meet Hugh Austin?

21 A. He contacted me.

22 Q. How did he contact you?

23 A. By telephone.

24 Q. Were you expecting his call?

25 A. No.

1 AARON ETRA, ESQ.

2 Q. Had you heard of Hugh Austin before  
3 receiving his phone call?

4 A. No.

5 Q. When did Mr. Austin call you?

6 A. To the best of my recollection, it was  
7 sometime in the summer of 2018 -- I think June  
8 or July.

9 Q. Just to be clear, you hadn't had any  
10 conversations with Ms. Evans about Mr. Austin or  
11 any member of his family before receiving his  
12 call?

13 A. No.

14 (Exhibit Etra 7, Document Bates  
15 stamped TE-0001 through 953, five-page document  
16 entitled: Benthos - Doos That Are Ready to be  
17 Sent for Subpoena on 3/27/19, with UPS mailing  
18 label cover page and multipage attachments,  
19 marked for identification)

20 MR. BROMBERG: Sir, you have been  
21 handed a document that's been marked Exhibit 7  
22 and you'll see at the bottom it has Bates stamps  
23 TE-0001 through TE-0952.

24 (Pause)

25

1 AARON ETRA, ESQ.

2 BY MR. BROMBERG:

3 Q. These were documents that were  
4 produced by Ms. Evans in this proceeding.

5 Do you see that, sir?

6 A. I see those references, yes.

7 Q. Can you please turn to TE-555?

8 (Pause)

9 Q. And TE-555 contains an e-mail thread.

10 At the top of that thread is an e-mail  
11 from Hugh Austin to Tracy Evans, with a cc to  
12 Brandon Austin. It's dated July 21, 2018, and  
13 it has the subject line: 3000k BTC.

14 Do you see that, sir?

15 (Pause)

16 A. I don't see the reference to 3000k.

17 Q. Are you looking at 555, sir?

18 A. I am.

19 Q. Do you see at the top?

20 A. Yes.

21 Q. You see where it says  
22 tracyEvans7111@gmail.com in the upper-right  
23 corner?

24 A. Yes.

25 Q. Then on the left-hand side at the top,

1 AARON ETRA, ESQ.

2 do you see where it says: 3000k --

3 A. -- BTC. Yes, now I see it.

4 Q. And "BTC" stands for bitcoin, correct?

5 A. Yes.

6 Q. So 3000k would be how many bitcoins?

7 A. It would be 300,000.

8 Q. 300,000?

9 Or 3 million bitcoins?

10 A. 300,000.

11 Q. Three thousand K is 3,000, thousand,  
12 correct?

13 A. I think that -- it is.

14 But again, I can't speak for the  
15 sender of the message.

16 But I think the sender would realize  
17 that 3 million is an unrealistic number.

18 But, again, you are right. If purely  
19 multiplying 3,000 by another thousand would be 3  
20 million. That's correct.

21 Q. Do you see below that where Mr. Austin  
22 writes to Ms. Evans: Tracy, I wanted to see if  
23 you are available tomorrow any time after 3:00  
24 p.m. to jump on a call with Brandon and myself.  
25 Please let me know if that works.

1 AARON ETRA, ESQ.

2 A. That's what it says, yes.

3 Q. Were you aware that Mr. Austin had  
4 sent this e-mail to Ms. Evans?

5 A. I have no recollection of it, no.

6 Q. Did Ms. Evans ever discuss this e-mail  
7 with you?

8 A. No.

9 Q. Do you have any recollection of the  
10 approximate date that Mr. Austin called you?

11 A. My recollection was sometime in the  
12 July period.

13 Q. Do you have any idea how Mr. Austin  
14 would have known to e-mail Ms. Evans?

15 A. I do not.

16 Q. Do you have any idea why he e-mailed  
17 Ms. Evans?

18 A. No.

19 Q. The e-mail address  
20 tracyevans7111@gmail.com -- do you know if  
21 that's Ms. Evans' only e-mail address?

22 A. I don't know.

23 Q. Do you know any other e-mail addresses  
24 Ms. Evans uses?

25 A. I recollect exchanges of e-mails with

1 AARON ETRA, ESQ.

2 her at another number other than this one. But  
3 I'm not -- I'm not -- that's just my  
4 recollection.

5 (Exhibit Etra 8, Document Bates  
6 stamped AS(SUP)\_00546 through 556, four-page  
7 document entitled: Documents produced by Aaron  
8 Etra pursuant to Subpoena Duces Tecum, dated  
9 February 20, 2019, in the Matter of Benthos  
10 Mater Funds, Ltd., Plaintiff, against Hugh  
11 Austin, et al., Index No. 151823/2019, with  
12 multipage attachments, marked for  
13 identification)

14 BY MR. BROMBERG:

15 Q. Do you recognize this document, sir?

16 A. Yes, I do.

17 Q. Can you read to me the first sentence  
18 that appears at the top of Exhibit 8?

19 A. Exhibit A?

20 Or this document?

21 Q. Eight.

22 A. Eight. Sorry.

23 Documents produced by Aaron Etra  
24 pursuant to subpoena duces tecum, dated February  
25 20, 2019, in the matter of Benthos Master Funds,



1 AARON ETRA, ESQ.

2 Limited, plaintiff, against Hugh Austin, a/k/a  
3 Eugene W. Austin, John Austin, and Brandon  
4 Austin, Valkyrie Group LLC and Valhalla Venture  
5 Group LLC, Defendants, Index No. 1582 3/2019.

6 Q. So these are, in fact, documents  
7 produced by you in this action, correct?

8 A. Yes.

9 Q. Can we go back to Exhibit 7, and  
10 please turn to TE-721?

11 (Pause)

12 Q. Do you see TE-721?

13 A. No -- oh, yes, I do see now.

14 Q. Do you see here there is an e-mail at  
15 the top from tracyevans7111@gmail.com to  
16 bitcoin7111@gmail.com, Thursday, July 26, 2018?

17 A. Yes.

18 Q. See that, sir?

19 A. Hm-hmm.

20 Q. Do you know anything about the e-mail  
21 address bitcoin7111@gmail.com?

22 A. I have no recollection of it, no.

23 Q. Two e-mails down from that, do you see  
24 that there is an e-mail from Tracy Evans to  
25 Dmitri Kaslov, dated Thursday, July 26, 2018?

1 AARON ETRA, ESQ.

2 A. Yes.

3 Q. You see where she says: See below  
4 from father. His daughter is back in the  
5 hospital?

6 A. I see that's what it says, yes.

7 Q. Does "father" refer to Hugh Austin?

8 A. I don't know. I think you'd have to  
9 ask Ms. Evans that.

10 Q. Do you see where Ms. Evans writes in  
11 the next sentence: His daughter was the reason  
12 they met with Aaron, spoke with me three weeks  
13 ago and disappeared as she was very sick and  
14 they were said they stopped all business to  
15 focus on getting her well. Now she is back in  
16 hospital again?

17 A. Yes.

18 Q. Do you recall having a meeting with  
19 Mr. Austin around that time?

20 A. Yes.

21 Q. And what were the circumstances of  
22 that meeting?

23 A. He invited me to his office downtown  
24 in New York.

25 Q. Is that a result of the phone call

1 AARON ETRA, ESQ.

2 that he made to you?

3 A. I believe it was, yes.

4 Q. What did he say to you when he called  
5 you that first time?

6 A. That he would like to discuss his  
7 activities in the bitcoin world.

8 Q. Did he say how he got your number?

9 A. I don't recollect his saying, no.

10 Q. Did he say why he was contacting you?

11 A. Well, because he wanted to have a  
12 discussion about his activities in the bitcoin  
13 world.

14 Q. Can you be more specific?

15 A. No. That's what he said.

16 Q. Did he say anything else on that phone  
17 call?

18 A. I have no recollection of it being  
19 anything other than a very short phone call with  
20 that being said.

21 Q. So you agreed to take a meeting with  
22 Mr. Austin?

23 A. Yes.

24 Q. Approximately when did that meeting  
25 take place this?

1 AARON ETRA, ESQ.

2 A. Again, to the best of my recollection,  
3 it was in that July period.

4 Q. You met with Mr. Austin at his office?

5 A. Yes.

6 Q. You recall where that was?

7 A. To the best of my recollection, it was  
8 in a building in SoHo that was at one point the  
9 Trump hotel. I don't know what it currently is  
10 called, but it was on Spring Street in SoHo.

11 Q. It was not an office building?

12 A. It's a building that had various uses  
13 in it. People use it for offices. It was a  
14 hotel. It was an apartment house -- a  
15 variety -- a multi-use building.

16 Q. In what part of that building did you  
17 meet with Mr. Austin?

18 A. I forget on which floor, but it was  
19 several rooms in that building.

20 Q. Were these rooms that Mr. Austin  
21 owned?

22 Or had rented?

23 A. I have no idea.

24 Q. Was it upstairs?

25 Downstairs?

1 AARON ETRA, ESQ.

2 In the basement?

3 Where in the building was --

4 A. As I indicated, on one of the floors  
5 in the building, not in the basement, not on the  
6 ground floor, but one of the upper floors.

7 Q. Was it a single room?

8 A. It was separate rooms.

9 Q. Was it a hotel room?

10 A. It was fitted out as a multi-use  
11 space.

12 Q. Did Mr. Austin represent to you that  
13 this was his space?

14 A. He represented that he was using the  
15 space.

16 Q. Was there anything in that space that  
17 would indicate that it was used by Mr. Austin  
18 regularly?

19 A. It was what you would expect to find  
20 in a space that would be used as an office.

21 Q. There was a table?

22 A. There were tables, yes.

23 Q. There were chairs?

24 A. There were chairs.

25 Q. So you met with Mr. Austin on that

1 AARON ETRA, ESQ.

2 occasion and spoke to him about what?

3 A. About his interest in arranging for  
4 the purchase and sale of bitcoins.

5 Q. On that occasion, did he tell you how  
6 he had gotten your number?

7 A. I don't recollect.

8 (Pause)

9 Q. So can you tell us, if you know, how  
10 the Austins got in touch with Tracy Evans?

11 A. I don't --

12 Q. You don't know?

13 A. I don't know.

14 Q. And you don't know how they received  
15 your number?

16 A. No.

17 Q. Is it merely a coincidence, sir, that  
18 they contacted you and they contacted Ms. Evans  
19 at approximately the same time in summer of  
20 2018?

21 A. I don't see any basis, no, for any  
22 question about that.

23 (Pause)

24 Q. Let's look at TE-723.

25 (Pause)

1 AARON ETRA, ESQ.

2 Q. Do you see midway down, there is an  
3 e-mail from you to Hugh Austin?

4 Says: Hugh, Thank you very much for  
5 sharing the good news?

6 A. Yes, I see it.

7 Q. You say: It is a shared pleasure to  
8 know each other and to have the opportunity to  
9 work together.

10 A. Yes.

11 Q. Then do you see, above that, you  
12 forwarded that e-mail to Ms. Evans?

13 A. Yes.

14 Q. Why did you forward that e-mail to Ms.  
15 Evans?

16 A. To the best of my recollection, Hugh  
17 Austin called me to tell me that his daughter  
18 was no longer in danger; that she had been  
19 hospitalized, but that she was recovering. So I  
20 wanted to share that information with Ms. Evans.

21 Q. Why did you want to share that  
22 information with Ms. Evans?

23 A. Because good news about a person's  
24 recovery is worth sharing.

25 Q. Why -- what did Ms. Evans have to do

1 AARON ETRA, ESQ.

2 with the Austins?

3 A. I know that the Austins had been in  
4 contact with her.

5 Q. How did you know that?

6 A. She told me.

7 Q. Did she tell you how she got in  
8 contact with the Austins?

9 A. No.

10 Q. Did she contact the Austins?

11 Or was it the other way around?

12 A. I don't know. I don't remember.

13 (Pause)

14 Q. Let's look at TE-728. That's part of  
15 Exhibit 2 -- sorry -- Exhibit 7.

16 (Pause)

17 A. Which page, please?

18 Q. Exhibit 7, page 728.

19 (Pause)

20 Q. Do you recognize this document, sir?

21 A. Yes.

22 Q. What is this document?

23 A. I'm looking at the top line. It says:  
24 This BTC agreement.

25 Q. And the BTC agreement is entered into



1 AARON ETRA, ESQ.

2 as of 31st of July, 2018.

3 Is that what it said?

4 A. Correct.

5 Q. And who is the agreement between?

6 A. It states that it's between the  
7 seller, who is stated to be Dmitri Olegovich  
8 Kaslov, and a buyer, who is stated to be  
9 Valkyrie Group LLC.

10 Q. This is a contract for the purchase of  
11 300,000 bitcoins?

12 A. That's what it says. That's what it  
13 seems to present, yes.

14 Q. What is Valkyrie Group LLC?

15 A. I believe it's an LLC.

16 Q. Who owns Valkyrie Group LLC?

17 A. I can't speak for Valkyrie Group LLC  
18 as to who owns it.

19 Q. Can you speculate as to who might own  
20 it?

21 A. I don't engage in speculation.

22 Q. Were you a party to this contract?

23 A. Yes.

24 Q. In what capacity?

25 A. As escrow agent in --

1 AARON ETRA, ESQ.

2 (Pause)

3 A. -- to serve as escrow agent for this  
4 transaction.

5 Q. It your testimony as you sit here  
6 today that you have no knowledge of what  
7 Valkyrie Group LLC is, or who owns it?

8 A. It's not that I have no knowledge.  
9 They presented themselves as being  
10 represented by Brandon Austin, who presented  
11 himself as the authorized signatory.

12 Q. So Mr. Austin contracted to purchase  
13 300,000 bitcoins from Mr. Kaslov.

14 Is that a proper characterization of  
15 what this contract is for?

16 A. Yes.

17 Q. What was your role in that  
18 transaction?

19 A. My role is as escrow agent.

20 Q. What did that require you to do in the  
21 context of this transaction?

22 A. It required me to receive funds from  
23 the purchaser and to follow instructions with  
24 regard to disbursement of those funds.

25 Q. How were the funds to be received from

1 AARON ETRA, ESQ.

2 the purchaser, Valkyrie Group?

3 A. They were to be transferred to one of  
4 my accounts.

5 Q. Then what was to happen?

6 A. That I was to follow instructions as  
7 to how to disburse it.

8 Q. Where was the bitcoin to be received  
9 from?

10 A. The bitcoin was to be received from  
11 Mr. Kaslov's supply of bitcoins.

12 Q. Can you tell us what you know about  
13 Mr. Kaslov's supply of bitcoins?

14 A. He -- to the best of my knowledge, he  
15 has the bitcoins in a storage facility. He so  
16 indicated that's where they were.

17 Q. When did he indicate that, sir?

18 A. To the best of my recollection, about  
19 the time when this contract was being negotiated  
20 and entered into.

21 Q. Did Mr. Kaslov himself tell you there  
22 were 300,000 bitcoins?

23 A. He never said directly to me that  
24 there were 300,000, but he agreed to the sale of  
25 them. To the best of my recollection, it was

1 AARON ETRA, ESQ.

2 communications between him and Ms. Evans.

3 Q. Have you ever spoken directly to Mr.  
4 Kaslov?

5 A. Yes, I have spoken to him, together  
6 with Ms. Evans.

7 Q. On how many occasions have you spoken  
8 with Mr. Kaslov?

9 A. Best of my recollection on this  
10 matter, two, possibly three times.

11 Q. Do you recall when those conversations  
12 took place?

13 A. Best of my recollection, they were in  
14 the July-August period.

15 Q. Before or after you entered into this  
16 contract?

17 A. Including -- there was one before --  
18 perhaps one before, and the others after.

19 Q. Did you ever speak to Mr. Kaslov in  
20 connection with any other transaction?

21 A. No.

22 Q. So you have only spoken to him two or  
23 three times in your life?

24 A. To the best of my recollection, yes.

25 Q. It was at some point in the

1 AARON ETRA, ESQ.

2 July-August time period, 2018?

3 A. Yes.

4 Q. What can you tell you us about those  
5 conversations with Mr. Kaslov?

6 A. They were with respect to his  
7 willingness to sell some of his bitcoins and the  
8 arrangements necessary to do so.

9 Q. How long have you been in the bitcoin  
10 industry?

11 A. I'm not in the bitcoin industry.

12 Q. How many transactions for the sale or  
13 purchase of bitcoin have you engaged in during  
14 your career?

15 A. I have engaged in none to date.

16 Q. Well, this is a transaction for the  
17 sale of bitcoin, is it not?

18 A. Yes.

19 Q. So you have engaged in at least one,  
20 correct?

21 A. Other than this one, yes.

22 Q. Do you know what the term "POC" means?

23 A. POC?

24 Q. Yes.

25 A. I don't think so. POC?

1 AARON ETRA, ESQ.

2 Q. In the context of a bitcoin  
3 transaction, have you ever heard the acronym  
4 "POC" used before?

5 A. What's the -- POC?

6 Q. Proof of coin?

7 A. Proof of coin? I have heard "proof of  
8 coin," but not as "POC."

9 Q. Did you ever receive proof of coin  
10 from Mr. Kaslov in any form?

11 A. No.

12 Q. Did you ever receive assurances of any  
13 kind that Mr. Kaslov, in fact, had 300,000  
14 bitcoins to sell?

15 A. It was his assurance, and the  
16 assurance of his transfer facilitator.

17 Q. Who was the transfer facilitator?

18 A. A gentleman by the name of Mr. Hoang.

19 Q. Did you spell that?

20 A. H-O-A-N-G.

21 Q. What is a transfer facilitator?

22 A. As he presented himself, to the best  
23 of my recollection, he said he works with owners  
24 of bitcoins to facilitate the purchase and sale  
25 on behalf of such owner.

1 AARON ETRA, ESQ.

2 (Pause)

3 Q. Let's go to Exhibit 7 at page TE-754.

4 (Pause)

5 Q. At the top of this document, it says:  
6 Coordinator/Paymaster Agreement and Disbursement  
7 Instructions.

8 Do you see that, sir?

9 A. I do.

10 Q. Do you recognize this document?

11 (Pause)

12 A. I don't believe I do, because -- I  
13 don't believe I signed this agreement.

14 Q. Do you have any reason to believe that  
15 there is not in existence another version of  
16 this agreement with your signature on it?

17 A. I have no basis of knowing one way or  
18 the other, but I certainly see that I did not  
19 execute this agreement.

20 Q. Can you tell us why this document was  
21 not produced by you in the federal action?

22 A. Probably because I didn't keep it  
23 since I didn't execute it.

24 If it was created -- as I say, I don't  
25 recollect seeing this agreement, so I couldn't

1 AARON ETRA, ESQ.

2 produce it. But you know, didn't even know it  
3 existed.

4 (Pause)

5 Q. The bitcoin agreement between Valkyrie  
6 Group and Dmitri Kaslov had an escrow agreement  
7 annexed to it, correct?

8 A. Yes.

9 Q. Did you execute that escrow agreement?

10 A. I did execute an escrow agreement,  
11 yes.

12 Q. Can you telling us why neither of  
13 those agreements was produced by you in the  
14 federal action?

15 A. I believe I did produce that in the  
16 federal action; or if I didn't -- I believe I  
17 did.

18 I think that's the basic agreement.  
19 And I -- my recollection is it was produced  
20 because it's part of that agreement.

21 It may even be attached in your pages  
22 here. I'm not sure. This is part and parcel of  
23 the same agreement. It's not a separate  
24 agreement.

25 (Pause)



1 AARON ETRA, ESQ.

2 Q. Let's go back to Exhibit 8. This is  
3 the document beginning with Bates stamp  
4 AE(SUP)\_00546.

5 (Pause)

6 Q. Do you see where it says: No. 1.  
7 Please see attached Exhibit 1A and 1B?

8 A. Yes.

9 Q. Can you read the rest of that into the  
10 record, please?

11 A. Correspondence and other material has  
12 already been submitted to the best of my  
13 knowledge and belief to counsel for the  
14 Plaintiff by my counsel, David Hammer, Esq., in  
15 compliance with Plaintiff's counsel's prior  
16 demands via subpoena or otherwise and included  
17 in or attached to relevant Court Orders or  
18 documents created by Plaintiff's counsel  
19 themselves and/or in transcriptions of or  
20 documents for, or included in prior Court  
21 proceedings or has been or is being provided by  
22 Tracy Evans -- in paren, in quotes --  
23 ("Submitted Material").

24 Q. Did you confer with Ms. Evans about  
25 the materials she was intending to produce in

1 AARON ETRA, ESQ.

2 response to her own subpoena?

3 A. No.

4 Q. Did you review the materials that Ms.  
5 Evans intended to produce in response to her own  
6 subpoena?

7 A. I did not, no.

8 Q. How is it, sir, you are able to make a  
9 representation that your obligations under the  
10 subpoena would be fulfilled by Ms. Evans?

11 A. Because Ms. Evans is the repository  
12 for most of the material in this transaction.

13 Q. Is it your understanding, sir, that  
14 when Ms. Evans produces materials, that relieves  
15 you of your independent obligation to produce  
16 them?

17 A. No. But I believe that she would  
18 comply fully with producing all the material in  
19 this matter that I don't have.

20 Q. Did you do anything to ensure that Ms.  
21 Evans, in fact, made a full and complete  
22 production of everything?

23 A. The one discussion I had with her was  
24 that I indicated that I was complying fully and  
25 that she should do the same.

1 AARON ETRA, ESQ.

2 Q. How is it, sir, that you intended to  
3 comply fully when, in effect, you were expecting  
4 Ms. Evans to fulfill your production obligations  
5 for you?

6 A. Well, I didn't -- I think I have  
7 complied and fulfilled my obligations -- both in  
8 the prior material submitted to you of  
9 voluminous nature which you have here -- and in  
10 this production.

11 (Exhibit Etra 9, Multipage document  
12 entitled: Private Deed of Agreement for Bitcoin  
13 Asset Exchange/Transaction, dated July 23, 2018  
14 (no Bates Nos.), marked for identification)

15 MR. BROMBERG: Exhibit 9 is what  
16 appears to be a contract between True North  
17 Brands LLC and Benthos Master Fund, Limited.

18 BY MR. BROMBERG:

19 Q. Have you ever seen this document  
20 before, sir?

21 (Pause)

22 A. To the best of my knowledge, I have  
23 not.

24 Q. Do you know anything about True North  
25 Brands LLC?

1 AARON ETRA, ESQ.

2 A. No recollection of True North Brands  
3 LLC.

4 Q. Have you ever heard the name Simon  
5 John Gilbert Dalton?

6 A. To the best of my knowledge, no.

7 Q. You don't know anyone named Simon  
8 Dalton?

9 A. Not to the best of my recollection,  
10 no.

11 Q. Have you ever heard the name KRFB  
12 Global Group LLC?

13 A. To the best of my recollection, no.

14 (Pause)

15 MR. BROMBERG: Let's mark this 10.

16 (Exhibit Etra 10, Single-page e-mail  
17 From: Brandon Austin, To: gerald@benthoscap.com  
18 and others, Subject: Benthos Capital BTC  
19 Contract (Citibank Aaron Etra Deal), Sent: July  
20 31, 2018 (no Bates No.), marked for  
21 identification)

22 MR. BROMBERG: Exhibit 10 is an e-mail  
23 from Gerald Fong -- sorry -- it's an e-mail from  
24 Brandon Austin to gerald@benthoscap.com, dated  
25 Tuesday, July 31, 2018.

1 AARON ETRA, ESQ.

2 BY MR. BROMBERG:

3 Q. And do you see at the top, there is a  
4 subject line that reads: Benthos Capital BTC  
5 Contract (Citibank Aaron Etra Deal)?

6 Do you see that, sir?

7 A. Yes, I do.

8 Q. Do you see that this appears to be an  
9 e-mail attaching a contract?

10 A. It seems to so state, yes.

11 Q. Mr. Austin says to Gerald Fong: As  
12 per your conversation with Hugh, I have attached  
13 a contract for the Citibank Aaron Etra deal.

14 Do you see that, sir?

15 A. I do.

16 Q. What can you tell us about the  
17 Citibank Aaron Etra deal?

18 A. To the best of my knowledge and  
19 belief, it's the transaction that was eventually  
20 entered into by Benthos with Valkyrie.

21 (Pause)

22 Q. This is a transaction that the Austins  
23 had proposed to you?

24 A. Not proposed to me.

25 The reference to "Citibank Aaron Etra"

1 AARON ETRA, ESQ.

2 is my role as escrow agent. It's the  
3 transaction that you referred to in prior  
4 questions.

5 (Pause)

6 MR. BROMBERG: Let's mark this 11.

7 (Exhibit Etra 11, Multipage document  
8 entitled: BTC Agreement No. CDKTEBPA073118BC,  
9 dated July 31, 2018 (no Bates Nos.), marked for  
10 identification)

11 BY MR. BROMBERG:

12 Q. This is the document that was attached  
13 to Mr. Austin's e-mail, correct?

14 A. I have no idea, sir.

15 Q. Do you have any reason to think that  
16 this is not the document that was attached to  
17 Mr. Austin's e-mail?

18 A. I have no reason to know one way or  
19 the other.

20 It does look like a draft of an  
21 agreement rather than an executed one. And it  
22 also doesn't have any names for seller or buyer,  
23 so it looks clearly like a draft.

24 Q. It appears to be a form contract for a  
25 bitcoin transaction, correct?

1 AARON ETRA, ESQ.

2 A. I don't know if it's a form contract,  
3 but it does say it's a BTC agreement.

4 Q. If you turn towards the back of that  
5 document -- Exhibit 11 -- you go to the  
6 third-to-last page, do you see where it says:  
7 Aaron Etra, Attorney-At-Law?

8 A. Yes, I do.

9 Q. What is that information below that?

10 A. It's headed: Escrow Deposit  
11 Coordinates.

12 Q. This appears to be information for  
13 your attorney escrow account.

14 Is that correct?

15 A. It appears to be. That's correct.

16 Q. So would it be fair to say that this  
17 form contract envisions you acting as escrow  
18 agent?

19 A. It would be fair to say that the draft  
20 proposes my role as an escrow agent, yes.

21 Q. Do you know who created this document?

22 A. I do not.

23 Q. When was the first time you saw a  
24 draft of a contract between Valkyrie Group LLC  
25 and Benthos Master Fund?

1 AARON ETRA, ESQ.

2 A. To the best of my recollection, it was  
3 during this period at the end of July.

4 Q. Who did you receive that draft  
5 contract from?

6 A. My recollection was it was from Ms.  
7 Evans. It may have been from Ms. Evans and the  
8 Austins, but it would have been either one of  
9 those.

10 Q. You don't recall one way or the other  
11 whether the draft came from Ms. Evans or the  
12 Austins?

13 A. I do not.

14 Q. Had you ever seen a contract purchase  
15 of bitcoin before that?

16 A. I don't recollect.

17 Q. Do you recall what you did when you  
18 saw that draft?

19 A. Which draft?

20 Q. The first draft of the contract  
21 between Valkyrie Group LLC --

22 A. Which first draft?

23 Q. This agreement, sir.

24 A. I don't recollect receiving this  
25 agreement.



1 AARON ETRA, ESQ.

2 Q. Do you recall seeing later versions of  
3 the same agreement that's set forth in Exhibit  
4 11?

5 A. I believe there were several drafts  
6 before the final agreement was entered into,  
7 yes.

8 Q. What was the first occasion on which  
9 you recall seeing some version of this document?

10 A. As I say, my best recollection is  
11 sometime toward the end of July.

12 (Pause)

13 Q. Do you recall ever receiving any draft  
14 of the bitcoin agreement without the names of  
15 the buyer and seller filled in?

16 A. My recollection is that exchange of  
17 drafts very often is without names. And I may  
18 have received -- I don't recollect.

19 Q. Let's go to page 757 of Exhibit 7.

20 (Pause)

21 Q. This appears to be an e-mail thread.

22 And do you see, about 2 inches down  
23 the page, there is an e-mail from you to Ms.  
24 Evans, dated Thursday, August 2nd, 2018?

25 A. Yes.

1 AARON ETRA, ESQ.

2 Q. With the subject line: FW: BTC  
3 Purchase?

4 A. Hm-hmm.

5 Q. Below that, it says: Hi, Tracy, This  
6 is another example of some of the communications  
7 I am receiving connected in some fashion to the  
8 Austins.

9 Do you see that, sir?

10 A. Yes.

11 Q. You then wrote to Ms. Evans: I feel  
12 we should do everything possible to make the  
13 transactions with the Austins, while making sure  
14 the documentation with whomever is their source  
15 of their funds clearly reflecting that source,  
16 knowing and agreeing to the arrangements with  
17 Dmitri, including the escrow procedures.

18 A. Yes.

19 Q. What did you mean when you said to Ms.  
20 Evans: I feel we should do everything possible  
21 to make the transactions with the Austins?

22 A. To support on behalf of seller to be  
23 able to enable him to complete his transaction  
24 with a prospective buyer.

25 Q. What was the Austins' interest in that

1 AARON ETRA, ESQ.

2 transaction?

3 A. To the best of my knowledge and  
4 belief, it was to make the purchase that they  
5 eventually went to contract on.

6 Q. You said "the transactions with the  
7 Austins" -- transactions plural.

8 A. Yes.

9 Q. And which transactions were referring  
10 to?

11 A. The process is to have several layers  
12 of the purchase.

13 For example, if Mr. Kaslov had 900,000  
14 coins and the initial contract was for a lesser  
15 number, you would have to have several  
16 transactions to consummate the sale.

17 Q. What other transactions were being  
18 proposed besides the transaction with Benthos  
19 Master Fund?

20 A. There were those who -- to the best of  
21 my knowledge, it is a time when there are  
22 various people who had been contacting Ms. Evans  
23 and myself -- and I believe the Austins as well.  
24 So there was -- the nature is that people do  
25 contact you.

1 AARON ETRA, ESQ.

2 Q. So people began contacting you at some  
3 point in 2018 about purchasing bitcoins?

4 A. Yes.

5 Q. How did those people know to contact  
6 you about purchasing bitcoins?

7 A. I can't answer the question for them.

8 My understanding is that the world is  
9 small in respect of the availability of  
10 cryptocurrencies.

11 Q. Did any of these people tell you, if  
12 you recall, how they received your contact  
13 information?

14 A. I don't recollect.

15 Q. How many people contacted you about  
16 the purchase of bitcoin?

17 A. I don't recollect the number.

18 Q. Do you see, below the e-mail that we  
19 just discussed, another e-mail, dated Wednesday,  
20 August 1st, 2018?

21 And it appears to be from a person  
22 named Troy Davis to you?

23 A. Yes.

24 Q. And the name "Troy Davis" has been  
25 partially redacted?

1 AARON ETRA, ESQ.

2 A. Yes.

3 Q. Who is Troy Davis?

4 A. I don't know. He called me, as I  
5 recollect.

6 Q. How is Mr. Davis connected to the  
7 Austins?

8 A. I don't know.

9 Q. Do you see in the e-mail above that  
10 where it says: This is another example of some  
11 of the communications I am receiving connected  
12 in some fashion to the Austins?

13 A. Yes.

14 Q. It's your testimony as you sit here  
15 today that you don't know how Mr. Davis is  
16 connected to the Austins?

17 A. That is correct.

18 The reference to what I was saying is  
19 that the Austins were -- as I understood it --  
20 were looking for people with whom they could  
21 arrange the purchase; that they weren't using  
22 their funds but they were looking for funds from  
23 others.

24 So the reference here was to assist in  
25 their being able to have access to the funds

1 AARON ETRA, ESQ.

2 that they would need to make the purchase.

3 (Pause)

4 Q. Do you see the e-mail below that where  
5 Mr. Davis writes: I have also enclosed POFs  
6 from Citibank equivalent to approximately 4  
7 million USD?

8 A. Hm-hmm.

9 Q. If you would be willing to provide POC  
10 for the aforementioned amount, the buyer is  
11 willing to fly to NYC to expedite a transaction  
12 to purchase any remaining BTC seller has  
13 available.

14 A. Hm-hmm.

15 Q. Do you recall if you subsequently  
16 provided POC to Mr. Davis?

17 A. I have no recollection of doing so.

18 Q. Do you have any recollection of ever  
19 seeing POC for Mr. Kaslov's bitcoin?

20 A. I have no recollection of seeing it,  
21 no.

22 Q. Below that, there is another e-mail.

23 And it says: Hello, M. Etra.

24 Do you see that?

25 A. I do.

1 AARON ETRA, ESQ.

2 Q. It says: My name is -- and it's  
3 redacted -- from Montreal, Canada.

4 Do you know what that name is that's  
5 been redacted?

6 A. I do not.

7 Q. It looks like it says Sammy or Summy.  
8 Does that ring a bell?

9 A. It doesn't -- doesn't ring a bell.

10 Q. So you have no idea as you sit here  
11 what name that is?

12 A. No.

13 Q. The next line -- it says: I represent  
14 a buyer directly. I was told to contact you  
15 via -- and that is also redacted -- from Hugh  
16 and Brandon's office for a -- quote -- "urgent"  
17 deal.

18 Do you know what that redacted name  
19 is?

20 A. No.

21 Q. It looks like it's Michael someone.

22 Does that help you remember who it is?

23 A. It does not.

24 Q. Hugh and Brandon are Hugh and Brandon  
25 Austin?

1 AARON ETRA, ESQ.

2 A. I would imagine so, although -- yes, I  
3 would imagine that's a fair estimate of that,  
4 yes.

5 Q. Do you know the names of any people  
6 who work for Hugh and Brandon Austin?

7 A. No.

8 Q. Have you ever met with any person who  
9 works for Hugh and Brandon Austin?

10 A. Yes.

11 Q. On what occasion?

12 A. When I first visited their office,  
13 there were other people in the office.

14 Q. That was at the building that you said  
15 used to be the Trump SoHo?

16 A. Yes.

17 Q. There were other people in the office  
18 who you believe worked for Mr. Austin?

19 A. Yes.

20 Q. Did you interact with those people?

21 A. Other than to say "hello," no.

22 Q. Did Mr. Austin say to you that those  
23 people worked for him?

24 A. He said that they were part of the  
25 team, as I recollect.



1 AARON ETRA, ESQ.

2 Q. Did Mr. Austin say what company those  
3 people worked for?

4 A. He did not, to my recollection.

5 Q. How many of those people were there?

6 A. Best of my recollection, there were  
7 two -- two other persons.

8 Q. Can you describe them?

9 A. Male.

10 Q. You don't recall their names?

11 A. I do not.

12 (Pause)

13 Q. If you turn to the next page --  
14 TE-0759 in Exhibit 7 -- there is an e-mail from  
15 Tracy Evans to Dmitri Kaslov, dated Thursday,  
16 August 2nd, 2018.

17 And Ms. Evans writes: This is also  
18 from Aaron for a different buyer for father and  
19 son, the Austins.

20 Have you heard Ms. Evans describe the  
21 Austins as "father and son" before?

22 A. I recollect her using that  
23 terminology.

24 Q. Do you know why Ms. Evans referred to  
25 the Austins as "father and son"?

1 AARON ETRA, ESQ.

2 A. Probably because Hugh is the father of  
3 Brandon.

4 Q. Do you see below that where it says:  
5 In this one, you see the contract that the  
6 Austins are giving out has Aaron in it and with  
7 different procedures, so we can see why Aaron is  
8 upset?

9 A. Hm-hmm.

10 Q. What does she mean by that?

11 A. I think she means that some of these  
12 prospective buyers were creating their own  
13 documents and sending them to me -- and I think  
14 to her, as well -- without consulting us before  
15 sending, and just creating those documents  
16 themselves.

17 Q. Do you have any knowledge of that  
18 occurring?

19 A. I have no knowledge other than what  
20 came to me.

21 Q. Well, Ms. Evans says that you were  
22 upset.

23 A. Yes.

24 Q. Were you, in fact, upset?

25 A. Yes.

1 AARON ETRA, ESQ.

2 Q. Why were you upset?

3 A. Because that was not the procedure  
4 that was the one that was desired by the seller.

5 Q. So it was the fact that contracts were  
6 being circulated with different procedures that  
7 upset you?

8 A. Correct.

9 Q. Not the fact that contracts were being  
10 circulated with your name on them --

11 A. Both --

12 Q. -- without your knowledge?

13 A. -- both.

14 Q. On how many occasions did that occur?

15 A. I don't recollect the exact number.

16 Q. Do you know how these people got your  
17 name and contact information?

18 A. I do not.

19 Q. Do you care to guess?

20 A. I don't care to guess, no.

21 Q. You can't speculate as to how these  
22 people would have gotten your name and contact  
23 information and inserted your name and contact  
24 information into a contract for the sale of  
25 bitcoin?

1 AARON ETRA, ESQ.

2 A. No. I don't want to engage in  
3 speculation.

4 (Pause)

5 Q. Do you recall meeting with anyone from  
6 Benthos Master Fund?

7 A. Yes.

8 Q. Approximately when did that meeting  
9 take place?

10 A. I believe in that same period of  
11 July-August of 2018.

12 Q. Would that meeting have been on August  
13 3rd, 2018?

14 A. It could have been, yes.

15 Q. Do you recall who you met with on that  
16 occasion?

17 A. I recollect two or three people came  
18 from Benthos.

19 Q. No specific recollection whether it  
20 was two or three people?

21 A. I don't. I recollect two of them by  
22 name, but I'm not sure whether there was a  
23 third.

24 Q. Who are those two people that you met  
25 with --

1 AARON ETRA, ESQ.

2 A. Gerald Fong and Mihir Deo.

3 Q. You met with both Gerald Fong

4 and Mihir Deo --

5 A. Yes.

6 Q. -- on August 3rd?

7 A. Yes.

8 Q. Was there anyone else in attendance at

9 that meeting?

10 A. Yes. As I say, I'm not sure if there

11 was another person from Benthos, and a person

12 that the Austins had sent to accompany them.

13 Q. Do you recall the name of the person

14 that the Austins sent?

15 A. I do not.

16 Q. Was it Andrew?

17 A. I honestly don't remember who it was.

18 Q. Where did this meeting take place?

19 A. It took place in the building that's

20 my residence.

21 Q. That's the same building where you

22 currently reside?

23 A. Yes.

24 Q. That meeting took place in your

25 apartment?

1 AARON ETRA, ESQ.

2 A. No.

3 Q. Where did the meeting take place?

4 A. There is a lounge on the 43rd floor  
5 which is where the meeting took place.

6 Q. What was discussed at that meeting?

7 A. Primarily, it was to meet each other  
8 and to give -- my understanding -- was to give  
9 the people from Benthos an opportunity to meet  
10 me in-person and for me to do the same -- to  
11 meet them.

12 Q. Were any particulars of a bitcoin  
13 transaction discussed at that meeting?

14 A. My recollection is we discussed what  
15 Benthos was considering with the Austins, yes.

16 Q. Were any documents drafted or executed  
17 at that meeting?

18 A. No.

19 Q. Was anyone present at that meeting to  
20 speak for the seller in the transaction?

21 And what exactly were the mechanics of  
22 the transaction that was being contemplated at  
23 that meeting?

24 A. The mechanics of the transaction is  
25 what was eventually incorporated into the

1 AARON ETRA, ESQ.

2 contract.

3 Q. So the Austins were holding themselves  
4 out as the ostensible seller at that meeting?

5 A. They were not at that meeting, so they  
6 didn't hold themselves out for anything.

7 Q. You said they sent a representative --

8 A. To accompany the Benthos group. But  
9 he didn't participate in the discussion.

10 Q. Was Dmitri Kaslov discussed at that  
11 meeting?

12 A. I have no recollection of that being  
13 discussed.

14 Q. Do you recall anything else about that  
15 meeting?

16 A. No -- other than it was a pleasant  
17 meeting and opportunity for people to meet.

18 Q. Approximately how long did that  
19 meeting last?

20 A. Best of my recollection, it was about  
21 one hour.

22 Q. At the end of the meeting, had you  
23 reached any kind of understanding with the other  
24 persons there?

25 A. No. Not to the best of my knowledge.

1 AARON ETRA, ESQ.

2 Q. Do you recall at that time if there  
3 was a draft contract already being drafted?

4 A. Best of my recollection, there had  
5 been Word drafts, and perhaps the -- yes,  
6 certainly had been drafts exchanged.

7 (Pause)

8 THE WITNESS: I will want to take a  
9 break. And, again, I am trying to cope with my  
10 respiratory problems.

11 Do you have any idea on timing?

12 MR. BROMBERG: Why don't we go another  
13 10 minutes, then take a short break?

14 (Pause)

15 BY MR. BROMBERG:

16 Q. Let's go to Exhibit 2 at page TE-25 --  
17 sorry -- Exhibit 7.

18 (Pause)

19 A. What page, please?

20 Q. Page 25.

21 (Pause)

22 Q. You see that e-mail from Tracy Evans  
23 to you, dated 3 August 2018 at 16:52?

24 A. Yes.

25 Q. That's the same date that you met with



1 AARON ETRA, ESQ.

2 Mr. Fong, correct?

3 A. To the best of my knowledge and  
4 recollection.

5 Q. Do you recall receiving this e-mail  
6 from Tracy Evans?

7 A. No. I don't actually see the -- any  
8 substance to it, just --

9 Q. You see that there was an attachment  
10 to that e-mail?

11 A. I don't see that there is an  
12 attachment to that e-mail, no.

13 Q. Do you see the e-mail from Tracy Evans  
14 to you, dated 3 August 2018?

15 A. Yeah, but I don't see any content to  
16 it.

17 Q. Below that, do you see where it says:  
18 Bitcoin Purchase Sale Delivery (Final D)  
19 (3)\_AE.docx?

20 A. Yeah.

21 Q. That's an attachment, correct?

22 A. I don't know. I don't see it.

23 I see it's listed as that, but I don't  
24 see where the attachment is.

25 Q. Let's look at TE-27. That's two pages

1 AARON ETRA, ESQ.

2 later.

3 A. Okay.

4 Q. Do you recognize that document?

5 A. It looks like a draft.

6 Q. And if you go back to TE-25, below the  
7 e-mail from Ms. Evans to you is an e-mail from  
8 you to Brandon Austin, with a copy to Ms. Evans?

9 A. Okay.

10 Q. Do you see that, sir?

11 A. I do.

12 Q. You write: Brandon, Please use the  
13 attached for completing the arrangements with  
14 your buyer.

15 A. Right.

16 Q. What do you mean by that?

17 A. My request to him was to utilize the  
18 draft for finalizing arrangements with his  
19 buyer, because, as we indicated, he was looking  
20 to others to provide the funds for the purchase.

21 Q. Do you know who the buyer was?

22 A. That would have been up to the Austins  
23 to do that -- to put that in.

24 (Pause)

25 Q. Do you have any other specific

1 AARON ETRA, ESQ.

2 recollections about the drafting of this  
3 contract?

4 A. I do not.

5 Q. How many drafts did this contract go  
6 through before it became finalized?

7 A. I don't recollect.

8 Q. Did you make edits to this document?

9 A. I made some comments along the way,  
10 yes.

11 Q. What was your role in the process of  
12 negotiating this contract?

13 A. To perform the role of escrow agent.

14 Q. Did you have any other role in the  
15 transaction?

16 A. That was my role as escrow agent.

17 Q. Purely as escrow agent.

18 No other capacity?

19 A. Yes.

20 MR. BROMBERG: You want to take a  
21 short break?

22 THE WITNESS: Please.

23 (Recess from 11:13 a.m. to 11:19 a.m.)

24 BY MR. BROMBERG:

25 Q. You said that you participated in the

1 AARON ETRA, ESQ.

2 drafting of this contract as escrow agent.

3 Can you tell me more about what you  
4 mean by that?

5 A. The provisions relevant to the  
6 function of the escrow agent was what my input  
7 was on.

8 Q. Did you actually do substantive  
9 drafting work on those provisions?

10 A. I gave input, yes.

11 Q. Did you provide your input on any  
12 provision of the contract other than the escrow  
13 provision?

14 A. No, I don't recollect.

15 Q. What was your primary concern in  
16 drafting those provisions?

17 A. Facilitate the transaction.

18 (Exhibit Etra 12, Single-page e-mail  
19 From: Hugh Austin, To: gerald@benthoscap.com,  
20 Subject: Latest Draft from Aaron and Tracy,  
21 Sent: August 3, 2018 (no Bates No.), marked for  
22 identification)

23

24

25

1 AARON ETRA, ESQ.

2 (Exhibit Etra 13, Multipage document  
3 entitled: BTC Agreement: Transaction Code No.  
4 CDKTEBPA080218SUB (no Bates Nos.), marked for  
5 identification)

6 MR. BROMBERG: Exhibit 12 is an e-mail  
7 with the subject line: Latest Draft from Aaron  
8 and Tracy. And it's from Hugh Austin to Gerald  
9 Fong, dated August 3rd, 2018.

10 BY MR. BROMBERG:

11 Q. Do you see where it says: Hey,  
12 Gerald, I spent the last hour making the final  
13 edits with Aaron and Tracy?

14 A. Yes.

15 Q. Do you recall making edits to the  
16 contract along with Mr. Austin and Ms. Evans?

17 A. I don't recollect other than, as I  
18 said, I have made inputs on the escrow  
19 arrangements.

20 Q. You only gave input as to the escrow  
21 arrangements?

22 A. I don't recollect what inputs I gave.

23 But I did the best I could to  
24 facilitate the transaction in my role as escrow  
25 agent.

1 AARON ETRA, ESQ.

2 Q. Do you see where Mr. Austin says: I  
3 believe we have accomplished what each party is  
4 looking for?

5 A. I see he says that, yes.

6 Q. What were you looking for in  
7 negotiating this contract?

8 A. I'm not a party to the contract.

9 Q. You are the escrow agent, correct?

10 A. But I'm not a party to the contract.  
11 I think he is referring to each party,  
12 and I'm not a party to the contract. I am the  
13 escrow agent.

14 Q. Let's look at Exhibit 13.

15 (Pause)

16 Q. If you would, please, take a minute to  
17 look through this document then look up when you  
18 are done.

19 (Pause)

20 A. Yes.

21 Q. Go to page 7 of 16, paragraph 16.4,  
22 subparagraph 2.

23 Do you see that the words: The Seller  
24 may pull out an amount of money from escrow in  
25 order to secure the bitcoin from its

1 AARON ETRA, ESQ.

2 bitcoin-backed instrument?

3 A. Yes.

4 Q. Do you know who inserted that phrase?

5 A. I don't recollect, but I know it was  
6 discussed because it's reflective of the  
7 procedure that we were told was necessary --  
8 that the seller indicated was necessary in order  
9 to consummate the transaction.

10 Q. You say that the seller told you it  
11 was necessary?

12 A. Yes.

13 Q. Did you speak directly to Mr. Kaslov  
14 about this?

15 A. I don't recollect speaking to him or  
16 whether it was communicated in some other  
17 fashion.

18 But he had made clear to -- again,  
19 primarily to Ms. Evans -- that that was a  
20 necessary requirement to the procedure.

21 Q. It was necessary for money to be taken  
22 out of the escrow --

23 A. Yes.

24 Q. -- in order to obtain the asset for  
25 which that money was to be used?

1 AARON ETRA, ESQ.

2 A. To release the bitcoins.

3 As he explained to us, the procedure  
4 was that the bitcoins had served as a collateral  
5 for another of his -- of his investments. And  
6 in order to release the escrow -- release the  
7 bitcoins from that situation, some funds would  
8 have to replace it. So some of the funds would  
9 have to come from the escrow in order to  
10 effectuate the release.

11 Q. How many times have you acted as an  
12 escrow agent in the course of your career?

13 A. A goodly amount of times, yes.

14 Q. Did this strike you as unusual -- that  
15 the seller was permitted to take money out of  
16 the escrow prior to providing the asset that was  
17 being sold?

18 A. I find each escrow is something that  
19 needs to stand on its own, so there is no  
20 one-size-fits-all escrow arrangement.

21 Q. Did you have any concerns about the  
22 nature of this arrangement in your capacity as  
23 escrow agent?

24 A. I wanted to make sure it was  
25 understood on the part of the parties what the



1 AARON ETRA, ESQ.

2 seller is indicating is required.

3 Q. What is a bitcoin-backed instrument?

4 A. It was an instrument owned by the  
5 seller that was collateralized by his bitcoins.

6 Q. What was the nature of that  
7 instrument?

8 A. It was his investment -- which he  
9 didn't share with me the exact nature of it.

10 Q. So you don't know what this instrument  
11 was?

12 A. No.

13 Q. You have never seen any documentation  
14 of this instrument?

15 A. Correct.

16 Q. Have you ever heard of any other  
17 bitcoin-backed instrument?

18 A. It's not surprising to me that one  
19 could use the bitcoins like any other asset to  
20 collateralize the situation like that.

21 Q. But you never saw any proof whatsoever  
22 that this bitcoin-backed instrument actually  
23 exists?

24 A. Correct.

25 Q. Nor did you see any proof whatsoever

1 AARON ETRA, ESQ.

2 that the underlying bitcoins exist?

3 A. Yes.

4 Q. Did this concern you at all?

5 A. I relied on the seller having made  
6 this commitment. And if it was satisfactory to  
7 the parties, that was up to them to do what they  
8 required to be comfortable with it or not.

9 Q. When you say you "relied on the  
10 seller," who were you referring to?

11 A. Dmitri Kaslov.

12 Q. You previously testified that you only  
13 spoke to Mr. Kaslov on three occasions and you  
14 never met him, correct?

15 A. Correct.

16 Q. You never saw any proof that Mr.  
17 Kaslov actually owned bitcoins, correct?

18 A. Correct.

19 Q. Why did you rely on Mr. Kaslov?

20 A. Again, it was not for me to rely on  
21 Mr. Kaslov. It was up to the purchaser to so  
22 do.

23 As I say, my role was not to take a  
24 position on the part of the buyer or anybody  
25 else in that regard.

1 AARON ETRA, ESQ.

2 Q. When you enter into an escrow  
3 arrangement, do you do any due diligence on the  
4 buyer and the seller in that arrangement?

5 A. Yes.

6 Q. Did you ever do any due diligence on  
7 Mr. Kaslov?

8 A. Yes.

9 Q. What did that consist of?

10 A. He provided his passport and his  
11 completed form -- information summary form --  
12 client information summary form.

13 Q. Can you tell us why Mr. Kaslov's  
14 passport was not produced to us in the federal  
15 litigation?

16 A. It was not produced to me. So it  
17 would be -- as I recollect, best of my  
18 recollection, it was produced to Ms. Evans.

19 Q. You just told us that as part of your  
20 due diligence on Mr. Kaslov, he produced his  
21 passport.

22 A. Correct.

23 Q. But you never saw that passport?

24 A. Did I see his passport? I believe she  
25 showed me his passport, yes.

1 AARON ETRA, ESQ.

2 Q. When did Ms. Evans show you Mr.  
3 Kaslov's passport?

4 A. I don't recollect the exact dates.

5 Q. That was in connection with the  
6 300,000-bitcoin contract?

7 A. Yes.

8 Q. She showed you the passport in-person?

9 A. No.

10 Q. How did she show you the passport?

11 A. As I recollect, it was what he had  
12 provided her, which was a photograph of the  
13 picture page of the passport.

14 Q. What kind of photograph was it?

15 Was it a PDF?

16 Was it an actual --

17 A. I don't --

18 Q. -- photograph?

19 A. -- I don't recollect the format of it.

20 Q. You don't recall if it was a physical  
21 or electronic document?

22 A. I don't recollect, no.

23 Q. You don't recall if she showed you a  
24 printout?

25 A. I don't recollect.

1 AARON ETRA, ESQ.

2 Q. You just remember that you saw Mr.

3 Kaslov's passport --

4 A. Yes.

5 Q. -- and it was in Ms. Evans'

6 possession.

7 A. Yes.

8 Q. Was it in-person that Ms. Evans showed

9 you the passport?

10 A. I don't recollect how it was --

11 whether it was in-person or otherwise.

12 Q. But you are certain that you saw Mr.

13 Kaslov's passport?

14 A. That's my recollection.

15 Q. What did Mr. Kaslov look like?

16 A. He was a male.

17 Q. Can you tell us his approximate age?

18 A. I don't recollect his age.

19 Q. Was the photograph of Mr. Kaslov in

20 color?

21 Or in black-and-white?

22 A. I don't recollect whether it was in

23 color or black-and-white.

24 Q. You don't recall if he was a very

25 young man or very old man?

1 AARON ETRA, ESQ.

2 A. My recollection was he was not a young  
3 man.

4 Q. Can you approximate his age?

5 A. No.

6 Q. Can you provide any other description  
7 of the picture of Mr. Kaslov that you saw?

8 A. No.

9 Q. But you are certain you saw a picture  
10 of Mr. Kaslov?

11 A. Yes.

12 Q. What information was provided on the  
13 summary information form?

14 A. To the best of my recollection, it was  
15 his name, his address -- basic information of  
16 that kind.

17 Q. Any information about the asset he was  
18 purporting to sell?

19 A. Not to the best of my recollection.

20 Q. Any other financial information about  
21 Mr. Kaslov?

22 A. Not to the best of my recollection.

23 Q. You didn't see a bank account?

24 A. Not to the best of my recollection.

25 Q. You didn't see an investment account?

1 AARON ETRA, ESQ.

2 A. Not to the best of my recollection.

3 Q. At all times, Ms. Evans was acting as  
4 an agent for Mr. Kaslov?

5 A. To the best of my understanding, yes.

6 Q. Do you recall anything else about --  
7 that Ms. Evans may have -- I'll withdraw that  
8 one.

9 Do you recall anything else Ms. Evans  
10 may have told you about Mr. Kaslov's assets?

11 A. I don't recollect any.

12 Q. Did Tracy ever explain to you why Mr.  
13 Kaslov put so much trust in her?

14 A. The only thing I recollect is that she  
15 said the two of them had worked together for a  
16 number of years.

17 Q. Let's go back to Exhibit 13.

18 (Pause)

19 Q. If you look at page 8, there is a  
20 clause that says: Guarantee.

21 (Pause)

22 Q. See that, sir?

23 A. Yes.

24 Q. Did you have any involvement in the  
25 drafting of that provision?

1 AARON ETRA, ESQ.

2 A. I don't recollect.

3 Q. What was the fee that you expected to  
4 receive from this transaction?

5 A. It would be a fee from the seller.

6 Q. How much was that fee?

7 A. My recollection is we never finalized  
8 it, but my basic fee is 1%.

9 Q. And 1% of \$5 million is how much?

10 A. Excuse me?

11 Q. 1% of \$5 million is how much?

12 A. My calculation is as good as yours on  
13 that.

14 Q. \$50,000, correct?

15 A. That's correct.

16 But my fee was payable by the seller,  
17 not by any other party.

18 Q. What was the work that you were  
19 expected to do in exchange for that \$50,000?

20 A. Serve as the escrow agent.

21 Q. What exactly did that entail under  
22 this contract?

23 A. It entailed what was in the contract.

24 (Pause)

25 Q. Okay. Let's go to Exhibit 7 at TE-64.



1 AARON ETRA, ESQ.

2 (Pause)

3 Q. Do you see that this is an e-mail from  
4 John Austin to Tracy Evans, dated August 4,  
5 2018? --

6 A. Yes, I see it.

7 Q. -- with the subject line: Seller  
8 Update?

9 A. Hm-hmm.

10 Q. Do you see two lines down in that  
11 e-mail, Mr. Austin says to Tracy -- withdrawn.

12 Who is John Austin?

13 A. There is a gentleman by that name,  
14 John Austin.

15 Q. Is he related to Hugh Austin?

16 A. I believe it's his son.

17 Q. Do you recall how and when John Austin  
18 became involved in this transaction?

19 A. To the best of my recollection, it was  
20 at the same period of time, end of July,  
21 beginning August of 2018.

22 Q. What was Mr. Austin's role -- John  
23 Austin's role -- in the negotiation of this  
24 transaction?

25 A. To the best of my recollection, he was

1 AARON ETRA, ESQ.

2 assisting the other two Austins in the  
3 transaction.

4 Q. As an agent for Valkyrie?

5 A. He was just assisting in whatever  
6 capacity was necessary -- in their opinion, was  
7 necessary.

8 Q. Do you see two lines down in the  
9 e-mail to Ms. Evans, it says: I told him --  
10 referring to the buyer -- we went over the  
11 agreement line-by-line and we are as close as we  
12 will ever be.

13 Do you know who he is referring to?

14 A. I do not.

15 Q. He also says: I the also told him you  
16 and Aaron have been very fair and accommodating,  
17 and if he wants this deal he needs to sign and  
18 close posthaste.

19 Do you see that?

20 A. I do.

21 Q. When he says that "you and Aaron have  
22 been very fair and accommodating," do you know  
23 what he's describing?

24 A. Well, I believe he's saying we both  
25 have made ourselves available to assist the

1 AARON ETRA, ESQ.

2 parties, and both in-person and any other way.

3 Q. What accommodations did you make to  
4 the buyer in this contract?

5 A. Again, I can't assess what he meant by  
6 that.

7 But I can say what I did, which is to  
8 be available at all times by phone, by in-person  
9 for that meeting that you referred to, and every  
10 other way.

11 Q. Was there any urgency for you in  
12 consummating this transaction?

13 A. No urgency on my part. As I say, I  
14 was not a party to it. My role was as a  
15 facilitator, and urgency is to be available to  
16 them.

17 Q. Was there any reason for the buyer to  
18 think that, if you did not close posthaste, he  
19 will not be able to transact with you as the  
20 escrow agent?

21 A. I have no idea what the buyer would  
22 think.

23 The only thing that I can suggest is  
24 any buyer wants to consummate a transaction,  
25 especially in this case where the commodity was

1 AARON ETRA, ESQ.

2 in demand.

3 But I can't speak for the buyer.

4 MR. BROMBERG: Let's go to --

5 (Pause)

6 (Exhibit Etra 14, Four-page e-mail  
7 chain, top e-mail From: Brandon Austin, To:  
8 gerald@benthoscap.com and Brandon Austin,  
9 Subject: Signed Docs, Sent: August 4, 2018 (no  
10 Bates Nos.), marked for identification)

11 (Exhibit Etra 15, Multipage document  
12 entitled: BTC Agreement: Transaction Code No.  
13 CDKTEBPA080218SUB (no Bates Nos.), marked for  
14 identification)

15 (Exhibit Etra 16, Single-page document  
16 entitled: Client Information Summary, with  
17 attachments, marked for identification)

18 BY MR. BROMBERG:

19 Q. You see at the top of Exhibit 14,  
20 there is an e-mail from Brandon Austin to  
21 gerald@benthoscap.com.

22 And he says: Attached is the  
23 requested KYC info as well as the executed  
24 Agreement.

25 Do you see that, sir?

1 AARON ETRA, ESQ.

2 A. I do.

3 Q. And the attachment -- Exhibit 15 -- do  
4 you recognize the document?

5 (Pause)

6 A. I'm with you.

7 Q. This is the executed bitcoin agreement  
8 between Valkyrie LLC and Benthos Capital,  
9 correct -- Benthos Master Fund, correct?

10 A. It seems to be executed by them, but  
11 not by me.

12 Q. When Mr. Austin says in Exhibit 14  
13 "attached is the requested KYC info," do you  
14 know what he's referring to?

15 A. I don't know what he was referring to.  
16 It's basically -- "KYC" is "know your  
17 client."

18 I don't know what specifically he was  
19 referring to.

20 Q. In your experience, what does KYC  
21 information consist of?

22 A. It's a very open-ended term. It  
23 depends what each person asks for in the way of  
24 KYC. There is no one-size-fits-all.

25 Q. If you turn to Exhibit 16, the KYC

1 AARON ETRA, ESQ.

2 document that Mr. Austin sent to Gerald Fong --  
3 at the top of that document, it says: Client  
4 Information Summary c/o Aaron Etra.

5 Do you see that, sir?

6 A. I do.

7 Q. Do you know why it says: C/o Aaron  
8 Etra?

9 A. I think because he used one of my  
10 forms for it.

11 Q. Do you recall giving him a form for  
12 KYC info?

13 A. Yes.

14 Q. Is that a form that Mr. Austin  
15 requested from you?

16 A. I requested it of him.

17 Q. So can you tell us about the  
18 circumstances under which you requested KYC info  
19 from Mr. Austin?

20 A. Yes, part of the due diligence on that  
21 party to the proposed contract.

22 Q. So you asked Mr. Austin for KYC  
23 info --

24 A. Yes.

25 Q. -- without being prompted?

1 AARON ETRA, ESQ.

2 A. Yes.

3 Q. And he subsequently asked Mr. Fong for  
4 KYC info?

5 A. I have no idea what he asked for.

6 Q. But he used this form?

7 A. Again, I have no idea whether this was  
8 the attachment to that e-mail.

9 Q. Do you have any reason to believe this  
10 is not the attachment to that e-mail?

11 A. No reason either way.

12 (Pause)

13 Q. When you engage in a transaction, at  
14 what stage of the transaction do you typically  
15 exchange KYC info?

16 A. If people want to engage my services.

17 Q. So prior to signing any contract?

18 A. At the time that they want to engage  
19 my services, which is usually before -- well,  
20 again, it varies. The only operative time is  
21 when they ask me to perform services for them.

22 Q. Let's go to Exhibit 7 at 341.

23 (Pause)

24 Q. Sorry, Exhibit 6 at 341.

25 (Pause)

1 AARON ETRA, ESQ.

2 Q. Do you see that this is an e-mail from  
3 Tracy Evans to you, dated Saturday, August 4th?

4 A. Yes.

5 Q. And the subject line is: Final  
6 Contract Signed with Escrow Agent?

7 A. Hm-hmm.

8 Q. Is this the final version of the  
9 contract?

10 (Pause)

11 A. To the best of my recollection, it is.

12 Q. Do you recall why Ms. Evans was  
13 sending the contract to you on this occasion?

14 A. She is the repository of the materials  
15 in this transaction. So that would be -- would  
16 make sense.

17 Q. When you say that "she is the  
18 repository of the materials in this  
19 transaction," what do you mean by that, sir?

20 A. Things like that agreement -- she is  
21 the person that has been functioning to receive  
22 the materials, whether it's a contract or other  
23 materials relevant to the transaction. So she  
24 would be the one who would have the final  
25 executed copy of this agreement.



1 AARON ETRA, ESQ.

2 Q. On whose behalf is Ms. Evans serving  
3 that function in this transaction?

4 A. It has evolved in that direction. She  
5 is obviously representing the seller, but she  
6 has functioned, I think, on behalf of everyone  
7 to perform those functions.

8 Q. So Ms. Evans has taken it upon herself  
9 to keep in her possession all the relevant  
10 documents in this transaction?

11 A. To the best of my knowledge and  
12 belief, yes.

13 Q. Did someone appoint her to that  
14 position?

15 Or did she volunteer for that  
16 position?

17 A. No, I believe she volunteered.

18 As I say, my recollection was it  
19 evolved in that direction. There wasn't an  
20 official appointment or recognition by either of  
21 the parties.

22 (Pause)

23 Q. Go to page 361 of Exhibit 6.

24 (Pause)

25 Q. There is an e-mail from you to Brandon

1 AARON ETRA, ESQ.

2 Austin, with a copy to Ms. Evans, with the  
3 subject line: Signed Docs.

4 And the second line down, you say:  
5 The agreement looks fine and I am prepared to  
6 sign it (most expeditiously by authorizing Tracy  
7 to affix my electronic signature and initials)  
8 when I receive the KYC from Benthos Master Fund,  
9 Ltd.; its corporate organizational documents and  
10 good standing certificate, etc.

11 Do you see that, sir?

12 A. I do.

13 Q. Did you, in fact, sign the agreement?

14 A. I don't recollect if I signed it or  
15 whether I authorized Ms. Evans to do it on my  
16 behalf.

17 (Pause)

18 Q. Have you ever authorized Ms. Evans to  
19 sign anything else on your behalf?

20 A. I don't have a clear recollection of  
21 it. It would not be unusual to have that  
22 happen. I don't have a clear recollection.

23 Q. In the next line down, you say:  
24 Please also have Benthos advised from where its  
25 funds in the amount of \$5 million will be

1 AARON ETRA, ESQ.

2 coming.

3 A. Yes.

4 Q. What do you mean by that?

5 A. I'd like to know in advance from where  
6 funds come into my escrow account to make sure  
7 that that goes as smoothly as possible. So  
8 that's customary.

9 Q. It appears from this e-mail that you  
10 expected to receive KYC information from Benthos  
11 before you signed the agreement.

12 Is that correct?

13 A. Yes -- or at least contemporaneous  
14 with it.

15 Q. When you ask a party for KYC  
16 information, what exactly are you trying to  
17 determine?

18 A. Each situation varies, so I want to  
19 know my clients. I want to know -- depending on  
20 what the transaction is, it varies as to how  
21 much is important to know.

22 Q. So when you are entering into a  
23 transaction with a person who purports to own  
24 billions of dollars of bitcoins, what do you  
25 need to know to get comfort with that?

1 AARON ETRA, ESQ.

2 A. In that case, the information was not  
3 important as in respect of the funds.

4 My function was not to receive the  
5 bitcoins. It was to receive the funds.

6 So my KYC functioning was in respect  
7 of the source of the funds.

8 Q. So when you act as the escrow agent in  
9 the transaction, you only do KYC as to the buyer  
10 and not the seller?

11 A. It's focused on what my role is.

12 If my role is to receive and disperse  
13 the funds, my focus is on the funds.

14 Q. And if your role is to receive and  
15 disperse the funds on the instruction of the  
16 seller, do you do any additional due diligence  
17 on the seller?

18 A. Yes.

19 Q. What due diligence did you do in the  
20 case of Valkyrie?

21 A. Well, in the case of Valkyrie, I have  
22 asked them for their corporate documents in the  
23 same way I have asked Benthos for theirs.

24 Q. What assurances do you get from having  
25 received corporate documents?

1 AARON ETRA, ESQ.

2 A. The assurances of the organization of  
3 being in existence and being a valid body to  
4 engage on the transaction.

5 Q. Why did you not do that equivalent  
6 work in the transaction between Valkyrie and  
7 Dmitri Kaslov?

8 A. That's incorrect.

9 Q. So what bona fides were you shown in  
10 the case of Dmitri Kaslov?

11 A. I was shown his passport. I was shown  
12 his basic information, as I so indicated to you  
13 earlier.

14 Q. So you were shown information  
15 sufficient to determine that a person named  
16 Dmitri Kaslov exists?

17 A. Correct.

18 Q. And that's the only due diligence that  
19 you believe you are required to do as escrow  
20 agent?

21 A. Well, I also received -- he executed  
22 the contract. And he had entered into a number  
23 of communications through his agent. So that  
24 was -- as I say, my focus was on the source of  
25 the funds, which was not Dmitri Kaslov.

1 AARON ETRA, ESQ.

2 Q. During the entire time that you have  
3 conducted business with persons including Mr.  
4 Kaslov, Tracy Evans has always acted as Mr.  
5 Kaslov's agent?

6 A. Yes.

7 Q. Have you ever seen any kind of written  
8 agreement between Mr. Kaslov and Ms. Evans?

9 A. I don't recollect having seen any, no.

10 Q. Have you ever received an e-mail from  
11 Mr. Kaslov saying: Tracy Evans is authorized to  
12 transact business on my behalf?

13 A. He has sent e-mails in respect of this  
14 transaction, yes.

15 (Pause)

16 Q. Did Mr. Kaslov ever send you an e-mail  
17 setting forth what Ms. Evans' authority is with  
18 respect to him?

19 A. Best of my recollection, he  
20 communicated the role that she was to play.

21 Q. What was that role?

22 A. To act on his behalf in respect of his  
23 transaction and to interact with Mr. Hoang.

24 (Pause)

25 Q. When you say "to act on his behalf in

1 AARON ETRA, ESQ.

2 respect of this transaction," that means to  
3 enter into the transaction on his behalf?

4 A. To the best of my understanding and  
5 recollection, yes.

6 Q. Mr. Kaslov placed enormous amount of  
7 trust in Ms. Evans, wouldn't you say?

8 A. It's not for me to judge.

9 (Exhibit Etra 17, Multipage e-mail  
10 chain, top e-mail From: Brandon Austin, To:  
11 Gerald Fong and others, Subject: Benthos (Buyer)  
12 KYC AML, Sent: August 4, 2018 (no Bates Nos.),  
13 marked for identification)

14 MR. BROMBERG: Exhibit 17 is an e-mail  
15 from Brandon Austin to Gerald Fong and you.

16 THE WITNESS: Yes.

17 MR. BROMBERG: It has the subject  
18 line: Benthos (Buyer) KYC AML.

19 THE WITNESS: Hm-hmm.

20 BY MR. BROMBERG:

21 Q. What is: KYC AML?

22 A. KYC, as we discussed earlier, is:  
23 Know your client.

24 AML is: Anti-money laundering.

25 Q. And what did you need from Benthos in

1 AARON ETRA, ESQ.

2 the way of KYC AML?

3 A. I have asked them for various  
4 corporate documents and their authority  
5 documents, which they provided.

6 (Pause)

7 Q. If you go a few pages in -- page 4 of  
8 9 -- there is an e-mail from you to Mr. Deo,  
9 dated August 4 at 4:20 p.m.

10 And you write: Hello, Mihir, Thank  
11 you for this message and the attachments.

12 A. Hm-hmm.

13 Q. Please provide the Company resolution  
14 authorizing Gerald to enter into this agreement  
15 on its behalf.

16 A. Hm-hmm.

17 Q. So you required a written  
18 authorization?

19 A. Well, not necessarily written  
20 authorization, but indication as to how he was  
21 authorized.

22 Q. Did you ever ask for that sort of  
23 documentation from Ms. Evans with respect to Mr.  
24 Kaslov?

25 A. No.



1 AARON ETRA, ESQ.

2 Q. Why is that?

3 A. My focus was on -- as I indicated  
4 earlier -- on the source of the funds. That was  
5 my primary focus and that's how I functioned.

6 (Pause)

7 Q. So what do you recall occurred after  
8 the contract was fully executed?

9 A. I'm sorry. I don't understand the  
10 question.

11 Q. What happened after the contract in  
12 this case was fully executed?

13 A. In what respect?

14 Q. Well, you previously told us that the  
15 contract was executed on August 4, 2018.

16 What happened after that?

17 A. Well, lots of things have happened. I  
18 don't think -- please be a bit more specific as  
19 to your question.

20 Q. What's the next thing you remember  
21 after the contract was executed?

22 A. Next thing I remember was I asked for  
23 and received the funds from Benthos.

24 Q. Do you recall anything else about  
25 receiving the funds from Benthos?

1 AARON ETRA, ESQ.

2 A. We had exchanges of communications as  
3 to where the funds were coming from, and the  
4 funds did come, and I acknowledged receipt of  
5 them.

6 (Pause)

7 Q. Let's look at AE-299. That's Exhibit  
8 6.

9 (Pause)

10 A. You said 299?

11 Q. Let's look at 298.

12 You see midway down on 298, there is  
13 an e-mail from Tracy Evans to you, dated Sunday  
14 August 5th, 2018, at 12:53 p.m.?

15 Do you see that, sir?

16 A. I do.

17 Q. And Ms. Evans writes: I'm sending you  
18 the banking for the Austin deal.

19 A. Yes.

20 Q. What does that mean?

21 A. I believe that's the information  
22 necessary for disbursement of the escrow for  
23 that transaction.

24 Q. Below that, she says: It is the same  
25 as the Ko deal.

1 AARON ETRA, ESQ.

2 A. Yes.

3 Q. Who or what is Ko?

4 A. I believe that -- again, it's my  
5 recollection then, she would have to give you  
6 the input on it -- but he was a prospective  
7 buyer at that same time.

8 Q. You say that he was a prospective  
9 buyer?

10 A. Yes.

11 Q. Why do you say that?

12 A. Because he was a prospective buyer.

13 Q. Was there a contract entered into  
14 between Mr. Ko and another person?

15 A. To my knowledge and recollection, no.

16 Q. Do you recall why you received wire  
17 instructions for the payment of money out of  
18 your escrow account in respect of Mr. Ko?

19 A. Yes, because that was the -- not --  
20 Mr. Ko had nothing to do with the transaction.  
21 There was no contract, no payment to Mr. Ko.

22 Q. Mr. Ko is a person?

23 A. I believe it refers to a person, yes.

24 Q. So when Ms. Evans says "the banking is  
25 the same as the Ko deal," what does she mean by

1 AARON ETRA, ESQ.

2 that?

3 A. I believe -- and again, you need to  
4 ask her that -- she is referring to the  
5 destination of the transfers, the same account  
6 that had been proposed for this other  
7 prospective buyer.

8 Q. So the transfer of the buyer's funds  
9 out of escrow to a certain account was proposed  
10 in the Ko deal, but never actually effectuated?

11 A. I don't remember what the provisions  
12 of the Ko deal was.

13 Q. Do you recall why the destination of  
14 the transfer of funds out of your escrow account  
15 was discussed in the context of the Ko deal?

16 A. Yes, because the procedure for release  
17 of the bitcoins would apply to any buyer.

18 (Pause)

19 Q. If you go back to Exhibit 15, that's  
20 the contract between Benthos Master Fund and  
21 Valkyrie Group. And this is before you had  
22 signed it.

23 A. This was a draft contract.

24 Q. I think you'll agree that the executed  
25 version of 15 is essentially the same as the one

1 AARON ETRA, ESQ.

2 that you executed?

3 A. I can't do that without studying it at  
4 greater length.

5 Q. Well, you can go back to it in the --

6 A. -- it is not a question of my opinion  
7 on that. One is the drafting, one is executed.

8 (Pause)

9 Q. Do you see anywhere in the document  
10 instructions for the payment of money out of the  
11 escrow account?

12 A. First of all, let us see if that is  
13 the executed version of it.

14 (Pause)

15 Q. You know what? Instead, let's go to  
16 Exhibit 6 at page 341 -- 342.

17 (Pause)

18 Q. This is the final version of a  
19 contract executed by you, correct?

20 A. I believe it is.

21 Q. Do you see anywhere in this contract  
22 instructions for where the money is to be sent  
23 when it leaves your escrow account?

24 (Pause)

25 A. Yes, in section 16.4, sub 2, the last

1 AARON ETRA, ESQ.

2 sentence.

3 Q. It says: The Seller may pull out an  
4 amount of money from escrow in order to secure  
5 the bitcoin from its bitcoin-backed instrument.

6 A. Correct. There is that.

7 And I believe in the escrow part -- so  
8 there is that provision.

9 If you give me time, I will give you  
10 additional references.

11 (Pause)

12 A. On page 12 of 16 -- which is 353 --

13 (Pause)

14 A. The Parties expressly and fully agree  
15 of consent to the right of the Escrow Agent to  
16 follow the sole instructions of the Seller,  
17 provided the Seller is doing so with the intent  
18 of securing the BTC for the buyer from its  
19 BTC-backed, and that these instructions are with  
20 respect to the application of funds representing  
21 the Deposit once received from the Buyer, and  
22 transferred as provided in the Agreement and  
23 herein.

24 Q. Does it say where the money is to be  
25 sent?

1 AARON ETRA, ESQ.

2 A. On the instructions of the seller,  
3 which is what the provision of 16.4 says.

4 Q. Are there wire instructions contained  
5 in this agreement, sir?

6 A. No, nor would there be necessarily.

7 Q. Is there a bank name?

8 A. No --

9 Q. Is there --

10 A. -- nor would there --

11 Q. -- an express --

12 A. -- necessarily be --

13 Q. -- code?

14 A. -- no, none of that is in the  
15 agreement, nor would it be --

16 Q. Is there an account number?

17 A. No, and nor is it to be expected to  
18 find it there.

19 Q. So I'll ask you again, sir: When Ms.  
20 Evans said to you in the e-mail at AE298, "it is  
21 the same as the Ko deal," what was she referring  
22 to?

23 A. That was, of course, subsequent to the  
24 execution of this agreement, I believe.

25 Q. Which agreement?

1 AARON ETRA, ESQ.

2 The Ko deal?

3 A. No, this agreement that you are  
4 referring to.

5 Q. When Ms. Evans referred to the banking  
6 being the same as the Ko deal, she was referring  
7 to wire instructions, correct?

8 A. That is correct.

9 What is the date of Ms. Evans' e-mail?

10 Q. August 5th, 2018.

11 A. And this agreement is August 2nd.

12 So my point to you is that was  
13 subsequent to the execution of this agreement,  
14 which would be the time for that information to  
15 be conveyed.

16 Q. My question to you, sir, is: Why were  
17 there wire instructions in the Ko deal if, in  
18 fact, that document -- if, in fact, that  
19 transaction was never consummated?

20 A. There is no inconsistency -- the fact  
21 that those were provided but never incorporated  
22 into a signed contract .

23 Q. Was there a contract in the Ko deal?

24 A. Not to my recollection -- not an  
25 executed contract, no.



1 AARON ETRA, ESQ.

2 Q. It was never executed?

3 A. No.

4 Q. But there were wire instructions  
5 discussed?

6 A. I don't recollect what that contract  
7 provided.

8 Q. Who was the seller in the Ko deal?

9 It was also Mr. Kaslov?

10 A. My recollection, it was Mr. Kaslov.

11 Q. Were the Austins involved?

12 A. I don't recollect if they were.

13 Q. So there were wire instructions  
14 circulated for the Ko deal, but it was never  
15 consummated, and no money was ever sent?

16 A. Correct.

17 Q. Below that, on page 298 of Exhibit

18 6 --

19 A. 298? Okay.

20 Q. -- it says: Hello, Tracy, Here is the  
21 account. Kindly ask Mr. Ko to wire the 9.8 and  
22 I will give the equivalent in BTC.

23 A. I think that was -- that was an  
24 expectation. I believe, again, I am only  
25 looking at it here -- that would be the

1 AARON ETRA, ESQ.

2 expectation of a deal being consummated with Mr.  
3 Ko, which it was not.

4 Q. So do you see midway down on page 299,  
5 it says: Here is the signatory to the company  
6 account who is one of my associate. Please  
7 kindly ask Mr. Ko to kindly with due respect go  
8 ahead and make the payment into the account and  
9 let me have slip.

10 A. Yes. I see.

11 Q. It's your testimony as you sit here  
12 today that this was all prospective?

13 A. Yes.

14 Q. And Mr. Ko never signed an agreement?

15 A. Yes.

16 Q. And never transferred any money to  
17 the --

18 A. My recollection is that that agreement  
19 never went forward.

20 And, again, Ms. Evans probably would  
21 be the best source of that.

22 But my recollection was that  
23 nothing -- no funds were ever transferred. The  
24 deal never was consummated.

25 Q. If you look above that, on page 299,

1 AARON ETRA, ESQ.

2 there are wire instructions, correct?

3 A. Yes, correct.

4 Q. The bank name is China CITIC  
5 International Limited?

6 A. Hm-hmm, correct.

7 Q. And the account name is: HK  
8 Zhixuan -- Z-H-I-X-U-A-N -- Trading Limited?

9 A. Yes.

10 Q. Prior to receiving this e-mail from  
11 Tracy Evans, had you ever heard the name HK  
12 Zhixuan Trading Limited?

13 A. I don't remember the -- to my  
14 knowledge, I never received those details. My  
15 recollection is I didn't receive those details  
16 before.

17 Q. Do you recall receiving this e-mail  
18 from Ms. Evans?

19 A. I don't recall receiving it, but it  
20 looks like it was sent.

21 (Exhibit Etra 18, Single-page document  
22 bearing passport copy of Minh Hoang Le (no Bates  
23 No.), marked for identification)

24 BY MR. BROMBERG:

25 Q. Do you see midway down on page 298 of

1 AARON ETRA, ESQ.

2 Exhibit 6, Ms. Evans says --

3 (Pause)

4 A. 298 of Exhibit 6. Okay. Yes.

5 Q. Ms. Evans writes to you: Also  
6 attached is passport.

7 Do you recognize the document that I  
8 handed to you -- Exhibit 18?

9 A. It looks like a picture of a passport,  
10 yes.

11 Q. Do you recall receiving this document  
12 from Ms. Evans?

13 A. I believe I received it from Ms.  
14 Evans. I don't recollect, but I believe I did.

15 Q. Whose passport is this?

16 A. It's stated to be of Mr. Hoang Le --  
17 Hoang Le.

18 Q. When Ms. Evans says "I think you have  
19 all this, but wanted to make sure," did you, in  
20 fact, have this document already?

21 A. I don't recollect if I did.

22 Q. Do you recall the first time that you  
23 saw this document?

24 A. I don't recollect, no.

25 Q. When you received wire instructions

1 AARON ETRA, ESQ.

2 from Ms. Evans for this account at China CITIC  
3 International Limited, do you recall anything  
4 about that?

5 A. Well, in this case, it wasn't for me  
6 to transfer the funds. It was for Mr. Ko, as I  
7 read this message.

8 Q. When Ms. Evans said "I'm sending you  
9 the banking for the Austin deal; they are  
10 contained herein but also attached as a separate  
11 attachment; it is the same as the Ko deal," what  
12 did you understand that to mean?

13 A. I understood that it was the same  
14 account coordinates.

15 Q. So these were, in fact, instructions  
16 for the Austins' deal, correct?

17 A. It could be for both transactions,  
18 yes.

19 Q. Are these the -- are these the actual  
20 wire instructions upon which you relied in  
21 sending Benthos' money to that account?

22 A. I don't recollect if these were the  
23 only ones, but I do believe those are the ones  
24 that I followed in the Benthos transaction.

25 (Pause)

1 AARON ETRA, ESQ.

2 Q. Did you have any concerns about these  
3 instructions when you received them?

4 A. I don't recollect any concerns.

5 Q. Let's go to the previous page --  
6 AE-297 of Exhibit 6.

7 THE WITNESS: Just want to do one  
8 thing before you do that, if I may.

9 (Pause)

10 THE WITNESS: If it's helpful to you,  
11 those coordinates are the same as in Exhibit 1A  
12 of the material that I provided to you under  
13 Exhibit 8.

14 MR. BROMBERG: That is helpful, sir,  
15 and we'll get to that.

16 BY MR. BROMBERG:

17 Q. Right now, let's turn to AE-297 of  
18 Exhibit 6.

19 A. 297. Okay.

20 (Pause)

21 Q. Midway down, there is an e-mail from  
22 you to Ms. Evans, in which you say: Tracy,  
23 Sending funds to a HK account made sense when  
24 the funds were coming from HK, and would then go  
25 to Dubai.

1 AARON ETRA, ESQ.

2 What did you mean by that?

3 A. My recollection was that, at some  
4 point, Ms. Evans, I think -- and again, you need  
5 to confer with her -- was advised by Mr. Kaslov  
6 that eventually the release procedure had to  
7 take place in Dubai.

8 So that was why, as I say, it would  
9 make sense if the buyer's funds were coming from  
10 Hong Kong and could go directly to Dubai.

11 Because instead of sending the funds  
12 to my escrow account, the proposal was to have  
13 the funds go to a Hong Kong account, rather than  
14 to my escrow account.

15 Q. Below that, you say: Now that the  
16 funds are coming from the U.S., does it not make  
17 more sense for them to go to Dubai in one  
18 transfer, rather than to Dubai in two steps,  
19 especially with the time differentials back and  
20 forth? As well, sending the funds to an  
21 individual in HK rather than to a firm in Dubai  
22 seems unusual for this purposes.

23 A. Yes.

24 Q. Does that refresh your recollection as  
25 to whether you had any concerns when you

1 AARON ETRA, ESQ.

2 received these instructions?

3 A. Well, again, the question of  
4 concerns -- I tried to do my best to function in  
5 a rational way, and this is part of it.

6 So I do communicate in this fashion  
7 that I looked for an answer, which is what she  
8 gave in the reply e-mail.

9 So, yes, I do try to do the best job I  
10 can to make sure that the funds are dealt with  
11 correctly.

12 Q. I asked you whether you had any  
13 concerns.

14 And you answered: I tried to do the  
15 best to function in a rational way.

16 A. That's correct. I mean, that's my  
17 interpretation of acting in a way.

18 I don't know what your definition of a  
19 "concern," is but it's acting in the way that I  
20 need to function -- is my analysis.

21 Q. So it's your testimony as you sit here  
22 today that you don't recall having any concerns  
23 about these wire instructions.

24 A. It's not my testimony that I didn't  
25 have any concerns.



1 AARON ETRA, ESQ.

2 My testimony is that I acted in a way  
3 that's appropriate for the function involved.

4 (Pause)

5 Q. If you go above that to the top  
6 e-mail, you write to Ms. Evans: Tracy, Please  
7 also appreciate that we have verbally and now in  
8 the agreement stated that the funds would be  
9 applied to assist in delivering the BTC and we  
10 have told persons about Dubai and stabilizing an  
11 instrument.

12 Do you see that, sir?

13 A. I do.

14 Q. Then you went on to write: Sending  
15 funds to a trading company in HK, albeit run by  
16 a friend of Dmitri's, may not be viewed as  
17 consistent with that effort and commitment.

18 What did you mean by that, sir?

19 A. Well, again, I'm exercising what I  
20 considered to be necessary in my function to  
21 confirm that this is a most appropriate way to  
22 fulfill the agreement the parties entered into.

23 This whole exchange is in that  
24 spirit -- that I am trying to do my best to  
25 ascertain that the funds that were given to me

1 AARON ETRA, ESQ.

2 in escrow, with the specific consent to have  
3 them transferred to be used as part of the  
4 release procedure, but to make sure that that --  
5 those arrangements are the most appropriate and  
6 correct in order to implement that agreement.

7 All of this exchange is exactly with  
8 that in mind.

9 I mean, my functioning to try to make  
10 sure that what the parties agreed to -- which  
11 was the release of the funds for this purpose --  
12 is done in a way that effectuates that result.  
13 That's my whole purpose in acting as an escrow  
14 agent.

15 And this exchange is exactly in that  
16 spirit -- that I'm asking the seller's agent to  
17 assure me that what I'm doing is what he wants  
18 and what the parties agreed to.

19 Q. When you say "the seller's agent," who  
20 are you referring to?

21 A. Ms. Evans.

22 Q. Where in the contract, if you can show  
23 me that -- strike that.

24 A. As I showed you, those two provisions  
25 in both the main contract and in the escrow

1 AARON ETRA, ESQ.

2 agreement provides exactly for what I did.

3 And the parties knew it, and were told  
4 of it, and approved it.

5 And you are only showing in this  
6 exchange that I, you know, acted really in the  
7 best interests of both parties to try to make  
8 sure that what they agreed to would be  
9 implemented as they agreed.

10 Q. Well get to that, sir.

11 But continuing on with AE-297, you are  
12 saying: I'm concerned with the appearance as  
13 well as the practicality of such transfer to  
14 Hong Kong, and certainly about the consequences  
15 of any delay and problems that arise at any  
16 stage of the transaction.

17 A. That's correct.

18 This is all part and parcel of acting  
19 in the best possible way, and so on. I read all  
20 of this is very clearly my functioning in the  
21 way that the parties would have wanted me to  
22 function, and I did function.

23 Q. What was the basis of your concern  
24 about sending money to an individual in Hong  
25 Kong?

1 AARON ETRA, ESQ.

2 A. I have concern -- again, it's a  
3 question of defining "concern."

4 Part of my function is to make sure  
5 that any transfer that I make is in accordance  
6 with what the parties agreed and is a way to  
7 implement it.

8 So that's an abiding -- if you call it  
9 a concern, it's an abiding concern.

10 I don't call it a concern. I call it  
11 my function.

12 Q. And it's your testimony as you sit  
13 here today that Benthos Master Fund agreed that  
14 you were to take instructions from Minh Hoang  
15 Le?

16 A. From the seller.

17 And if the seller's transfer storage  
18 facilitator is Mr. Le, the answer is: Yes.

19 Q. Who is the seller from whom you were  
20 supposed to take instructions?

21 A. Dmitri Kaslov, recognizing that the  
22 agreement that Benthos had is with Valkyrie.

23 Valkyrie had the agreement with Dmitri  
24 Kaslov.

25 Benthos knew that. It was very clear

1 AARON ETRA, ESQ.

2 and -- to all concerned that Valkyrie --  
3 Valkyrie was not the owner of the assets; that  
4 Dmitri Kaslov was.

5 The parties knew exactly what was  
6 going on.

7 Q. Can you show me, going to be to  
8 Exhibit 6 at page 343?

9 A. I showed you the two provisions in the  
10 agreement that referred to it.

11 You want to do it again?

12 Q. Let's go back to Exhibit 343 --  
13 Exhibit 6 at page 343.

14 (Pause)

15 Q. That is the agreement itself.

16 Isn't that correct, sir?

17 A. This is the agreement. That's  
18 correct.

19 Q. Can you show me where in this  
20 agreement it says that you are to take wire  
21 instructions from Dmitri Kaslov?

22 A. It says: The seller may pull out an  
23 amount of money from escrow in 16.4, paragraph  
24 2.

25 And then I showed you the other

1 AARON ETRA, ESQ.

2 provision on page 12: The escrow agent -- the  
3 Parties expressly and fully agree and  
4 irrevocable consent to the right of the Escrow  
5 Agent to the sole instructions of the Seller,  
6 provided the Seller is doing so with the  
7 intention of securing the BTC for the Buyer from  
8 its BTC-backed, and that these instruction are  
9 with respect to the application of the funds  
10 representing the Deposit, once received from the  
11 Buyer and transferred as provided for in the  
12 Agreement and herein.

13 Q. Who is the seller under this contract?

14 A. The seller under this contract -- the  
15 immediate seller was Valkyrie.

16 Q. You say: The immediate seller.

17 Who was the seller under this  
18 contract, sir?

19 A. The two parties. Valkyrie was listed  
20 as the seller, and Benthos is listed as the  
21 buyer.

22 Q. Is Mr. Kaslov a party to this  
23 contract?

24 A. Mr. Kaslov is not a party to the  
25 contract.

1 AARON ETRA, ESQ.

2 Q. Is Ms. Evans a party to this contract?

3 A. Ms. Evans is not a party to the  
4 contract.

5 Q. Is Mr. Le a party to the contract?

6 A. Mr. Hoang is not a party to the  
7 contract.

8 Q. Does it say anywhere in this contract  
9 that you are authorized to take wire  
10 instructions from either Mr. Kaslov, Mr. Le, or  
11 Ms. Evans?

12 A. It was clearly understood by Benthos  
13 and Valkyrie that the seller and the owner of  
14 the assets of the bitcoins was Mr. Kaslov.

15 There was --

16 Q. Not Valkyrie, as set forth in the  
17 agreement itself?

18 A. No question. There is no doubt that  
19 Benthos understood that Valkyrie didn't own the  
20 -- or was not the seller for this purpose. It  
21 was clearly understood. There was no question  
22 about it --

23 Q. So it's your testimony as you sit here  
24 today, sir, that notwithstanding that the  
25 document says you are to take instructions only

1 AARON ETRA, ESQ.

2 from Valkyrie, it was Benthos' contemporaneous  
3 understanding that you were permitted to take  
4 instructions from someone else?

5 A. And Valkyrie, in fact, not only  
6 understood, and Benthos not only understood, but  
7 they also authorized me to obviously implement  
8 their contract with Kaslov.

9 So it was not only Kaslov directly,  
10 but Valkyrie as well.

11 So if you -- if you -- I'm sure you  
12 are going to deal with Valkyrie. And I would  
13 be -- it would be clear that they understood  
14 pursuant to their contract that the instructions  
15 were to come from Dmitri Kaslov --

16 Q. So it's your testimony, sir, that you  
17 received written authorization from Valkyrie  
18 that you were permitted to take instructions  
19 from Dmitri Kaslov?

20 A. It's my testimony that Valkyrie so  
21 authorized me to do that.

22 Q. In writing?

23 A. I don't know what my recollection --  
24 whether it was in writing, but certainly  
25 verbally and throughout the discussions of this



1 AARON ETRA, ESQ.

2 transaction.

3 -----  
DISCOVERY REQUEST  
4 -----

5 MR. BROMBERG: If there was a  
6 authorization by Valkyrie or any representative  
7 of Valkyrie to you to send money based on  
8 instructions provided to you by Mr. Kaslov, Ms.  
9 Evans, or Mr. Le, we call for that document to  
10 be produced.

11 Do you understand, sir?

12 MR. ETRA: I hear you.

13 I'm just saying to you that the  
14 authorization was given. And I will do my best  
15 to ascertain -- in addition to verbally, which  
16 there is no question it was given -- whether  
17 there is any written reflection of it.

18 But there is no question in any mind,  
19 or on the part of the Benthos, that that  
20 authorization was given.

21 (Pause)

22 BY MR. BROMBERG:

23 Q. Do you have any knowledge of a meeting  
24 that the Austins subsequently had with Mr. Fong?

25 A. I have no understanding or

1 AARON ETRA, ESQ.

2 recollection, no.

3 (Exhibit Etra 19, Two-page document  
4 entitled: Answer to Questions in OSC Requested  
5 of Aaron Etra [Questions 1, 2, 3, 4 - 2 pages]  
6 (no Bates Nos.), marked for identification)

7 (Exhibit Etra 20, Four-page document  
8 bearing heading on first page: Instructions to  
9 Aaron Etra, Esq., Escrow Agent, for Transaction  
10 Codes: CDKTEBPA073118XXX and CDKTEBPA073118SUB  
11 (no Bates Nos.), marked for identification)

12 (Exhibit Etra 21, Four-page document  
13 bearing heading on first page: Completed Wire  
14 Detail (no Bates Nos.), marked for  
15 identification)

16 BY MR. BROMBERG:

17 Q. So going to Exhibit 19 -- these are  
18 answers to questions that you provided in the  
19 federal action.

20 Is that correct?

21 A. I believe it is, yes.

22 Q. If you go down to question 2, part  
23 (b), it says: \$3 million was transferred on  
24 August 7, 2018?

25 A. Yes.

1 AARON ETRA, ESQ.

2 Q. Tell us what you recall about that  
3 transfer.

4 A. The transfer was made.

5 Q. Did you receive wire instructions in  
6 connection with that transfer?

7 A. My recollection is I received those  
8 instructions from Ms. Evans on behalf of Mr.  
9 Kaslov.

10 Q. If we go to Exhibit No. 20, are these  
11 the instructions that you received?

12 A. I believe they are.

13 Q. You said that you received them from  
14 Ms. Evans on behalf of Mr. Kaslov?

15 A. Yes.

16 Q. Did you receive any wire instructions  
17 directly from Valkyrie?

18 A. Did I receive instructions -- wire  
19 instructions? No.

20 Q. Can you tell us what you recall about  
21 this document in Exhibit 20?

22 A. I don't understand the question.

23 Q. What do you remember about this  
24 document?

25 A. I have no recollection of the

1 AARON ETRA, ESQ.

2 document.

3 Q. Do you remember receiving this  
4 document?

5 A. I believe -- I don't know whether it  
6 was this document, but I do remember receiving  
7 wire instructions from Ms. Evans on behalf of  
8 Mr. Kaslov, yes.

9 Q. Have you ever seen this document  
10 before you received the wire instructions?

11 A. Before I received -- in other words,  
12 did I see something about this before --

13 Q. Do you know anything about the origin  
14 of this document?

15 A. I believe it was prepared -- again, I  
16 received it from Ms. Evans. That is as much as  
17 I know.

18 Q. Have you ever seen this document  
19 before you received it from Ms. Evans?

20 A. I did not, no, not to my recollection.

21 (Pause)

22 Q. Let's go to TE-87. That's part of  
23 Exhibit 7.

24 (Pause)

25 A. Sorry. What page was it?

1 AARON ETRA, ESQ.

2 Q. Exhibit 7, at page TE- --

3 (Pause)

4 Q. -- TE-87.

5 (Pause)

6 Q. You see there is an e-mail from you to  
7 Ms. Evans, dated 6 August 2018, with the subject  
8 line: Letter of Instructions?

9 A. Hm-hmm.

10 Q. Do you recall anything about this  
11 e-mail?

12 (Pause)

13 A. I don't recollect, but -- I don't  
14 recollect the e-mail.

15 Q. Can you tell us the purpose of your  
16 sending this e-mail to Ms. Evans?

17 A. Yes, so that she would be able to  
18 provide on behalf of Dmitri, the owner,  
19 appropriate wire instructions.

20 Q. Below that where it says "please also  
21 provide the CIS from Hong Kong," what does that  
22 mean?

23 A. That was in respect of Dmitri's  
24 storage -- transfer storage facilitator, Mr.  
25 Hoang.

1 AARON ETRA, ESQ.

2 Q. What does "CIS" stand for?

3 A. Confidential information summary.

4 Q. You refer to Mr. Hoang as storage  
5 facilitator?

6 A. Yes.

7 Q. What do you understand a storage  
8 facilitator to do?

9 A. He works on behalf of the owners of  
10 the assets to be able to facilitate the purchase  
11 and sale of those assets, including their  
12 storage, including their release, including  
13 their delivery, including the payment for them.

14 Q. We'll come back to that.

15 Let's move to TE-88, next page of  
16 Exhibit 7.

17 There is an e-mail, subject line:  
18 Draft, from Tracy Evans to you, dated August 6,  
19 2018.

20 A. Hm-hmm.

21 Q. It has attached to it a document:  
22 Instructions to Aaron Etra 080718.

23 Below that, there is an e-mail from  
24 you to Ms. Evans, dated 6 August 2018 at 19:26.

25 You say: Tracy, Please see the

1 AARON ETRA, ESQ.

2 revised instructions letter attached.

3 A. I think that was with a view to get  
4 the final form of what you have given me as  
5 Exhibit 20.

6 Q. Does this refresh your recollection,  
7 sir, as to whether you had seen that document  
8 previously to having received it in final  
9 executed form from Ms. Evans?

10 A. Well, I guess my answer was not with  
11 respect to drafts of it.

12 Drafts clearly would have been  
13 exchanged.

14 Q. So you did exchange drafts of this  
15 document before Ms. Evans delivered it to you  
16 with the signature on it?

17 A. Yes.

18 Q. And had you a hand in drafting that  
19 document, correct?

20 A. I had a hand in trying to get the  
21 required -- the information that I needed on the  
22 document, yes.

23 Q. So you had a hand in crafting that  
24 document, correct?

25 A. I had a hand in as I say, in getting

1 AARON ETRA, ESQ.

2 the information that I think I needed to  
3 implement the instructions.

4 Q. When you e-mailed Tracy "please see  
5 the revised instructions letter attached," it  
6 was you who had provided those revisions,  
7 correct?

8 A. I don't know which of the revisions I  
9 provided, you know, on the original draft or  
10 things.

11 But, yes, I did put input in, yes.

12 Q. Is it usual in your experience for an  
13 escrow agent in a transaction to have a hand in  
14 drafting the wire instructions upon which he  
15 relies on sending money out of his escrow  
16 account?

17 A. Yes, because he wants to make sure  
18 that those instructions are complete.

19 Very, very often that happens. I  
20 wouldn't say invariably, but the answer is  
21 clearly: Yes.

22 Q. On how many occasions have you drafted  
23 the wire instructions out of your own IOLA  
24 account?

25 A. I have too many to count.



1 AARON ETRA, ESQ.

2 It's not a question of drafting. It's  
3 a question of dealing with the fullness of the  
4 instructions needed. It's not a drafting  
5 exercise as much as making sure the information  
6 that I need is complete.

7 (Pause)

8 MR. BROMBERG: Take a very short  
9 break?

10 Then we will probably go a little  
11 while longer, then we will take a lunch?

12 THE WITNESS: What about timing  
13 overall, because I do have a doctor's  
14 appointment to get to.

15 MR. BROMBERG: Why don't we take five  
16 minutes?

17 MR. POPOFSKY: What time is your  
18 doctor's appointment?

19 THE WITNESS: It was at 2:00 o'clock.  
20 Doesn't look like I'm going to make it, will I?

21 MR. BROMBERG: You are not likely to  
22 make your doctor's appointment, sir.

23 I would suggest that you reschedule it  
24 for another day on which you don't have a  
25 deposition scheduled.

1 AARON ETRA, ESQ.

2 THE WITNESS: Well, I think, you know,  
3 should be limits to the deposition as well.

4 MR. BROMBERG: The deposition is  
5 limited to seven hours per the New York rules.

6 THE WITNESS: Well, thanks very much.

7 MR. BROMBERG: But of course, we  
8 reserve the right to call we back if you haven't  
9 provided the testimony -- if we haven't received  
10 the testimony that you are required to give.

11 THE WITNESS: Certainly overbearing.

12 (Pause)

13 MR. BROMBERG: Let's take a very brief  
14 break.

15 (Recess from 12:41 p.m. to 12:51 p.m.)

16 BY MR. BROMBERG:

17 Q. So when we were last on the record, I  
18 believe you testified that you took wire  
19 instructions from Ms. Evans or -- from Ms.  
20 Evans. And that based on those wire  
21 instructions, you sent \$3 million of Benthos  
22 Master Fund's money to an account in Hong Kong.

23 Correct?

24 A. My testimony was that Ms. Evans, on  
25 behalf of Dmitri Kaslov, delivered those wire

1 AARON ETRA, ESQ.

2 instructions. And those wire instructions were  
3 known to all the parties concerned, Valkyrie as  
4 well as Benthos.

5 Q. It's your testimony that these wire  
6 instructions set forth in Exhibit 20 were shown  
7 to Benthos?

8 A. I don't recollect who it was shown to,  
9 but -- whether it was shown to them before or  
10 after it was sent.

11 But clearly it was conveyed to them  
12 that those funds would be going out, yes.

13 Q. It was conveyed to Benthos Master Fund  
14 that their funds would be sent to an account in  
15 Hong Kong in the name of HK Zhixuan Trading  
16 Limited?

17 A. I don't recollect the exact detail of  
18 which the information was conveyed, but the  
19 information was conveyed that the first transfer  
20 of funds were to be made.

21 Q. To be made where?

22 A. Again, I don't recollect how much of  
23 the detail was made.

24 But it was conveyed to them, and they  
25 fully understood. No problems were indicated.

1 AARON ETRA, ESQ.

2 Q. Who conveyed that information  
3 to Benthos Master Fund?

4 A. I believe they inquired both of me and  
5 Ms. Evans. I don't remember.

6 But I remember we were in daily  
7 contact with Benthos -- both them calling Ms.  
8 Evans and them calling me.

9 Q. It's your testimony that you advised  
10 Benthos Master Fund as to where its money had  
11 been sent?

12 A. My recollection and testimony is that  
13 they were informed that the funds were going  
14 out, yes.

15 Q. Did you inform them where the funds  
16 were going?

17 A. I don't recollect what degree of  
18 detail was given.

19 Q. You just told them that their money  
20 had been sent?

21 A. I don't recollect the detail of  
22 giving, but it was certainly conveyed that they  
23 were sent. And they understood and had no  
24 problems with it.

25 Q. So it's your testimony as you sit here

1 AARON ETRA, ESQ.

2 today that you don't recall whether or not you  
3 informed Benthos Master Fund that its funds had  
4 been sent to an account in Hong Kong?

5 A. Again, I don't remember the details of  
6 whether it was the account in Hong Kong, or the  
7 name of the account, or as much detail as was  
8 conveyed.

9 Q. Let's go back to Exhibit 20.

10 The bank is China CITIC International  
11 Limited?

12 A. Yes.

13 Q. Do you know anything about that bank?

14 A. I don't know anything other than my  
15 understanding, to the best of my knowledge and  
16 belief, is it's a major bank.

17 Q. It is, in fact, a major bank in China,  
18 as I understand it.

19 A. That's my understanding.

20 Q. You see below that, where it says:  
21 Bank officer: Zoe Lau & Joanne Lai?

22 A. Hm-hmm.

23 Q. You would expect those persons to be  
24 responsible for receiving wire transfers at the  
25 bank?

1 AARON ETRA, ESQ.

2 A. That would be those who are familiar  
3 with the account. To the best of my  
4 understanding, that's what role they would play.

5 (Exhibit Etra 22, Three-page document  
6 entitled: China CITIC Bank International  
7 Cross-border Banking (no Bates Nos.), marked for  
8 identification)

9 MR. BROMBERG: Exhibit 22 is a webpage  
10 taken from the website of China CITIC Bank  
11 International.

12 BY MR. BROMBERG:

13 Q. Do you see that, sir?

14 A. I do.

15 Q. It lists the chairman and senior  
16 executives.

17 Do you see that, sir?

18 A. I do.

19 Q. If you go to the bottom of the second  
20 page, it lists a Ms. Zoe Lau?

21 A. Yes.

22 Q. It says that: Ms. Lau joined the bank  
23 in August, 2007, as Senior Vice President --

24 A. Hm-hmm --

25 Q. -- and Head of Wealth Management &

1 AARON ETRA, ESQ.

2 Strategic Planning.

3 A. Hm-hmm.

4 Q. And that: Ms. Lau is currently a  
5 Director of CEO Office of the Bank --

6 A. Okay.

7 Q. -- and is responsible for coordinating  
8 various corporate initiatives and activities for  
9 the Chief Executive Officer.

10 A. Hm-hmm.

11 Q. If you turn to the third page, you see  
12 Ms. Joanne Lai?

13 A. Hm-hmm.

14 Q. And it says: Ms. Lai joined the bank  
15 in January, 2018, and Ms. Lai is currently the  
16 Bank's Chief Compliance Officer?

17 A. Hm-hmm yes.

18 Q. Does it strike you as unusual, sir,  
19 that two of the senior executives for the  
20 corporation are listed as the bank officers on  
21 this wire instruction?

22 A. No, not necessarily. Doesn't strike  
23 me as unusual.

24 Q. Why is that, sir?

25 A. No reason to think it unusual.

1 AARON ETRA, ESQ.

2 Q. So you would expect virtually anyone  
3 to appear as a bank officer on a wire  
4 instruction?

5 A. I think I didn't say that.

6 Q. Why do you think that the banks' chief  
7 compliance officer would be listed as the bank  
8 officer on simple wire instructions?

9 A. It may be a major account with them.  
10 It may be their procedure. It may be the way  
11 that they happen to set things up for  
12 international transfers.

13 I have no idea as to how the bank  
14 functions in that regard, but it doesn't strike  
15 me as unusual.

16 Q. Can you tell me anything about HK  
17 Zhixuan Trading Limited?

18 A. Only its -- the details of its name,  
19 its address, its location -- basic information  
20 about it as provided by Mr. Hoang.

21 Q. Do you know what HK Zhixuan Trading  
22 Limited does?

23 A. Not specifically. I would imagine  
24 from its title, it's a trading company.

25 (Pause)



1 AARON ETRA, ESQ.

2 Q. Did you ever discuss HK Zhixuan  
3 Trading Limited with Mr. Hoang -- or Mr. Le, I  
4 should say?

5 A. Hoang is actually his name.

6 Q. His name is Mr. Hoang?

7 A. Yeah.

8 Discuss the company itself? I don't  
9 recollect.

10 Q. Mr. Hoang is a represented of HK  
11 Zhixuan Trading Limited?

12 A. My understanding is: Yes.

13 Q. Is HK Zhixuan Trading Limited the  
14 storage facility?

15 A. It was not presented as the storage  
16 facility, but his company, as -- in his function  
17 as facilitator.

18 Q. I'm not sure I understand what you  
19 mean when you say "his company in his function  
20 as facilitator."

21 A. As I believe I said earlier, he  
22 functions on behalf of owners of assets,  
23 bitcoins, and among them in arranging for their  
24 purchase and sale. So he represents and acts on  
25 behalf of the owner.

1 AARON ETRA, ESQ.

2 Q. He does so through HK Zhixuan Trading  
3 Limited?

4 A. I believe so, yes, to my  
5 understanding.

6 Q. And you don't have any other  
7 information about HK Zhixuan Trading Limited?

8 A. I have the corporate information that  
9 had been provided to Ms. Evans.

10 (Pause)

11 Q. Why was \$3 million transferred to HK  
12 Zhixuan Trading Limited rather than the entire  
13 \$5 million?

14 A. That was the initial request. We were  
15 following the request as to what was needed  
16 when.

17 Q. Did you ever inquire as to why only \$3  
18 million was sent?

19 A. No. We assumed that the -- that this  
20 was in accordance with what they needed and when  
21 they needed it.

22 Q. Did there come a time when you  
23 subsequently took instructions to send  
24 \$250,000 --

25 A. Yes.

1 AARON ETRA, ESQ.

2 Q. -- to another company?

3 A. Yes.

4 Q. What was the reason for that transfer?

5 A. To the best of my recollection, the  
6 initial transfer -- there was some delay in its  
7 arrival. And they wanted to make sure that, in  
8 fact, funds were being sent so that they could  
9 begin their procedures.

10 And so the suggestion was made that  
11 this smaller amount would be sent to another  
12 account, just to prove that funds were received  
13 and funds were being disbursed.

14 Q. You said that they wanted to make sure  
15 that, in fact, funds are being sent to they  
16 could begin their procedures?

17 A. Yes.

18 Q. Who is the "they" in that sentence?

19 A. That's the seller, as conveyed by Mr.  
20 Hoang.

21 Q. When you say "the seller," who are you  
22 referring to?

23 A. Dmitri Kaslov.

24 Q. So Mr. Kaslov wanted to make sure that  
25 funds were being sent?

1 AARON ETRA, ESQ.

2 A. Yes.

3 Q. What funds and to where?

4 A. Well, the funds necessary for him to  
5 do his release procedure.

6 Q. Was it explained to you why it was  
7 necessary to transfer \$250,000 to facilitate the  
8 release procedure?

9 A. Yes, because they had yet to receive  
10 or recognize that they had received 3 million in  
11 the first transfer.

12 Q. Turn to the second page of Exhibit 20.

13 You also received these wire  
14 instructions from Tracy Evans?

15 A. Yes.

16 Q. You sent \$250,000 of Benthos Master  
17 Fund's money to Citibank?

18 A. To that account, yes.

19 Q. That account.

20 Do you know anything about First City?

21 A. I think that's an address.

22 Q. Do you know why the account name was  
23 First City?

24 A. I think the account is -- I don't know  
25 why they chose that officially, no.

1 AARON ETRA, ESQ.

2 Q. What about Invictus Agro Business  
3 Limited?

4 A. That was to be part of the special  
5 instructions.

6 Q. Do you know why that was to be part of  
7 the special instructions?

8 A. I think to be sure that it was  
9 correctly allocated.

10 And, again, was part of their  
11 verification procedure.

12 Q. Can you be more specific?

13 A. Since there had been a problem and  
14 delay in the 3 million transfer, they wanted to  
15 be sure that this transfer was well received and  
16 well and appropriately noted. So they provided  
17 both the beneficiary name and the special  
18 instructions.

19 (Pause)

20 Q. Did there come a time when the special  
21 instructions were changed?

22 A. Yes.

23 Q. What was the reason for that change?

24 A. They said that, in fact, it should be  
25 a different special instructions in order to be

1 AARON ETRA, ESQ.

2 appropriately noted.

3 Q. Do you recall what change was made?

4 A. I don't recollect exactly, but there  
5 were several changes that needed to be made --  
6 that they asked to be made.

7 Q. Can we go to Exhibit 6 at 255?

8 A. Yes.

9 (Pause)

10 A. Yes.

11 Q. Do you see the e-mail from Mr. Kaslov  
12 to Tracy Evans, dated Friday, August 10, 2018,  
13 at 9:03 a.m.?

14 A. Yes.

15 Q. It says Tracy, Good morning. Good  
16 news. They received in the account \$2,999,985.

17 A. Hm-hmm.

18 Q. Is that the \$3 million that was sent  
19 to HK Zhixuan Trading Limited?

20 A. I believe it is, yes.

21 Q. He says: They are working on  
22 everything now.

23 What does that mean?

24 A. That they are beginning their  
25 procedures that they needed to implement to

1 AARON ETRA, ESQ.

2 release the bitcoins.

3 Q. Just that the 250K is not corrected  
4 with the amendment.

5 A. Right.

6 Q. Does that refresh your recollection as  
7 to what the amendment was?

8 A. Again, as I indicated, there was  
9 changes in the special instructions.

10 Q. Did you discuss those changes with  
11 Valkyrie?

12 A. We kept them and Benthos updated as  
13 to -- as the progress on the transfers.

14 (Pause)

15 Q. Who is Taramati Deonarine?

16 A. She was the Citibank branch manager at  
17 one time of my Citibank branch.

18 Q. Is she still the branch manager?

19 A. No.

20 Q. At what point did she cease to be the  
21 branch manager?

22 A. You'll have to ask Citibank.

23 (Pause)

24 Q. Do you recall the name Perzky  
25 Solutions?

1 AARON ETRA, ESQ.

2 A. Sounds a bit -- Perzky Solutions?

3 Can you show me where that's referred  
4 to, please?

5 Q. Let's look at Exhibit 7 at 572.

6 (Pause)

7 A. Okay. With you.

8 Q. Do you see that there is an e-mail  
9 from Mr. Kaslov to Tracy Evans that says:  
10 Tracy, Please kindly send this to Aaron to  
11 correct immediately?

12 A. Yes.

13 Q. Special instruction to Perzky  
14 Solutions.

15 A. Same thing. They asked us to change  
16 the special instruction several times.

17 Q. Do you have any idea why the special  
18 instruction was changed?

19 A. No, other than to verify. I think  
20 it's a procedure that they use to verify  
21 transfers. That's the best of my knowledge and  
22 belief.

23 Q. Do you see on the second page at  
24 573 --

25 A. 573.



1 AARON ETRA, ESQ.

2 Q. -- there is an e-mail from you to Ms.

3 Evans: I have requested the change on the wire  
4 in "special instructions" from Citibank. They  
5 will process that first one to a case which they  
6 have opened.

7 A. Yes.

8 Q. So you did, in fact, request that  
9 change?

10 A. Yes.

11 Q. And Citibank made that change?

12 A. I believe they made all the changes  
13 requested -- the question was the arrival of the  
14 funds in all these cases.

15 Q. The \$200,000 -- \$250,000 that was sent  
16 to that Citibank account in the name First City,  
17 was subsequently returned to you, correct?

18 A. Right.

19 Q. Can you tell us about the  
20 circumstances of that money being returned?

21 A. Yes.

22 They verified the 3 million had, in  
23 fact, been received and that the 250,000 wasn't  
24 really necessary because the original amount had  
25 been confirmed as received. And so they agreed

1 AARON ETRA, ESQ.

2 to send the 250 back.

3 (Pause)

4 Q. Let's go to TE-113 in Exhibit 6.

5 A. Also in 6?

6 Q. Yes. No, I'm sorry, 7.

7 A. Seven? 113?

8 Q. Yes.

9 A. Okay.

10 (Pause)

11 Q. Do you see an e-mail from Tracy Evans  
12 to you saying: The second amendment arrived but  
13 the account was doing another transaction so  
14 they need another amendment done immediately?

15 A. That's the special instructions, yet  
16 again.

17 Q. The instructions were changed again,  
18 correct?

19 A. Yeah.

20 Q. They were changed to Quinspec Limited?

21 A. Yes.

22 Q. Do you know why they were changed to  
23 Quinspec Limited?

24 A. No. Again, I think these are all code  
25 names of no particular consequence other than

1 AARON ETRA, ESQ.

2 verify.

3 Q. Code names for what?

4 A. For verification, I would imagine.

5 Again, we are not involved in choosing  
6 those names, or in any procedure other than  
7 complying with their requests to change the  
8 special instructions.

9 Q. You say: Code names for verification.

10 What do you mean by that?

11 A. To make sure that the funds that had  
12 arrived were correctly allocated to where they  
13 should have been.

14 Q. When you say "where they should have  
15 been," where they should be as the name and the  
16 account number, correct?

17 A. Not only to that extent.

18 Because they are -- again, I'm not the  
19 banker involved in this regard -- but there are  
20 situations where the account has subaccounts or  
21 different applications of the funds and you need  
22 to have the special -- the correct special  
23 instructions.

24 Q. So after the special instructions were  
25 exchanged twice, the money went out, and that

1 AARON ETRA, ESQ.

2 was returned to you, correct?

3 A. Right.

4 (Pause)

5 Q. At this point in time after you had  
6 sent out \$3 million of Benthos' money to HK  
7 Zhixuan Trading Limited, you were fairly  
8 confident they would receive a bitcoin in  
9 exchange for that money?

10 A. No. It became clear at that point in  
11 time and to the disappointment of all concerned  
12 is that it was insufficient to effectuate the  
13 release because of the situation -- which again,  
14 was advised to all the parties -- that because  
15 of the way the contract and the timing of the  
16 contract, the release price required additional  
17 funds.

18 Q. How did it become clear at that point  
19 that the money sent out to insufficient to  
20 effectuate the release?

21 A. We were advised that by the owner of  
22 the bitcoins.

23 Q. The owner of the bitcoins being Dmitri  
24 Kaslov?

25 A. Yes.

1 AARON ETRA, ESQ.

2 Q. That was related to you directly by  
3 Mr. Kaslov?

4 A. As I recollect, it was via Ms. Evans.

5 Q. Do you recall having conversations  
6 with Ms. Evans about this?

7 A. Yes.

8 Q. What was the substance of those  
9 conversations?

10 A. The substance was we needed to have  
11 additional funds in order to effectuate the  
12 release because of the timing and the pricing.  
13 And that was essentially the -- discussed with  
14 her, with Benthos, with Valkyrie.

15 Q. Let's go to page 99 of Exhibit 7.

16 (Pause)

17 Q. TE-99.

18 There is an e-mail from you to Ms.  
19 Evans, dated Saturday, 11 August 2016.

20 A. You say 99?

21 Q. Yes, TE-99.

22 A. Okay.

23 Q. You see that e-mail, sir?

24 A. Hm-hmm.

25 Q. You wrote to Ms. Tracy: You and I

1 AARON ETRA, ESQ.

2 really need to know what Dmitri can deliver in.

3 BTC, both the total and the timing?

4 A. Hm-hmm.

5 Q. What do you mean by that?

6 A. In other words, that was, I think,  
7 about the time we were told that the funds were  
8 insufficient.

9 And my request was to really have a  
10 full understanding of what would be necessary to  
11 deal with the problem as it developed.

12 Q. At that time, what was your  
13 understanding of what Dmitri can deliver in  
14 bitcoin -- both the total and the timing?

15 A. Well, he could deliver -- the  
16 understanding was what he could deliver with the  
17 funds that were provided to him.

18 And that's why I asked for a clear  
19 statement of what that would be.

20 Q. When you said "we need to understand  
21 how he is doing it, what are his constraints and  
22 the parameters under which he needs to  
23 accomplish this --

24 A. Yes.

25 Q. -- what did you mean by that?

1 AARON ETRA, ESQ.

2 A. In light of what had been presented to  
3 us -- that the funds were insufficient because  
4 the release price had been more than the 5  
5 million that had been agreed with Benthos -- so  
6 to -- even at that point, to try to come up with  
7 the best way to resolve the situation and to  
8 deal with it.

9 Q. So at this point you find yourself  
10 entirely at the mercy of Mr. Kaslov?

11 A. Well, entirely at the mercy of the  
12 system that was presented to us.

13 Q. What else were you told about the  
14 system?

15 A. We were told that there needed to be a  
16 certain amount released at any one time, and a  
17 certain formula as to the percentage of the  
18 price of those -- of the bitcoin at that time.

19 Q. This is the storage facility system?

20 A. Yes.

21 Q. What is the storage facility?

22 A. Storage facility is where the bitcoins  
23 are stored.

24 In the case of Mr. Kaslov, we were  
25 advised that it was a so-called cold storage

1 AARON ETRA, ESQ.

2 system. So the bitcoins are not immediately  
3 available.

4 But that's the description of the  
5 storage facility.

6 Q. It's a cold storage facility?

7 A. Yes.

8 Q. What is a cold storage facility?

9 A. That the bitcoins are not immediately  
10 available.

11 Q. Is that a physical storage facility?

12 A. Well, as we know bitcoins are not a  
13 physical commodity. It's a registry.

14 Q. So what is meant by "cold storage"?

15 A. It means you can't have immediate  
16 access. You have to go through procedures to  
17 release the coins.

18 Q. Why can you not have immediate access?

19 A. That's not the nature of the cold  
20 storage, as described to us.

21 Q. So the cold storage facility is not a  
22 physical storage facility?

23 A. There is a physical storage facility  
24 where, we are led to believe, the registry --  
25 which is a group of machines, a group of storage



1 AARON ETRA, ESQ.

2 machinery -- is located.

3 Q. So there is a physical machine  
4 somewhere that houses this cold storage  
5 facility?

6 A. So we were advised.

7 Q. Who advised you of that?

8 A. It was Mr. Kaslov and Mr. Hoang.

9 Q. Where are those physical machines  
10 located?

11 A. The advice was that, in this case, it  
12 was in Dubai.

13 Q. Was it ever explained to you why it  
14 was necessary for Benthos to transfer money to  
15 Hong Kong in order to access bitcoins stored in  
16 a storage facility in Dubai?

17 A. Yes. It was explained that that was  
18 the instructions of the storage facility, which  
19 preferred accounts in the Far East.

20 Q. Why were accounts in the Far East  
21 preferred?

22 A. That you'd have to ascertain from the  
23 persons who asked us to do that.

24 Q. Do you know the name of the facility  
25 in Dubai?

1 AARON ETRA, ESQ.

2 A. I do not, no.

3 Q. Do you know the identity of any person  
4 who has interacted with this facility in Dubai,  
5 apart from Mr. Hoang?

6 A. I do not.

7 Q. Have you ever seen any evidence that  
8 such a facility exists?

9 A. What I have seen is the fact that  
10 Dubai is one of the centers for the  
11 cryptocurrency world. That I have seen, yes.

12 Q. Do you consider that evidence, sir --

13 A. Yes.

14 Q. -- that this specific facility is  
15 located in Dubai?

16 A. That there are facilities of this  
17 nature in Dubai, yes.

18 Q. Have you ever seen evidence that this  
19 facility actually exists?

20 A. I have not been to Dubai to look and  
21 see if there is such a facility physically  
22 there, no.

23 Q. Have you ever seen a website for this  
24 facility?

25 A. I have seen websites for facilities in

1 AARON ETRA, ESQ.

2 Dubai, yes.

3 Q. Have you ever seen a website for the  
4 facility on which Mr. Hoang purports to work?

5 A. He --

6 Q. I'll withdraw that, because it's  
7 garbled.

8 Have you ever seen a website for the  
9 storage facility for which Mr. Hoang purports to  
10 work?

11 A. He's advised us that he works for  
12 several storage facilities, whose -- and there  
13 are such websites.

14 Q. Who are the names of those storage  
15 facilities?

16 A. One is blockchain.com.

17 One is coinbase.com.

18 And there are several others.

19 Q. Have you ever seen any support for Mr.  
20 Hoang's representation to you that he works for  
21 blockchain.com or coinbase.com?

22 A. His representation to us is he works  
23 for Dmitri Kaslov.

24 Q. So the storage facility is located at  
25 blockchain.com or coinbase.com?

1 AARON ETRA, ESQ.

2 A. We were advised it's one of those  
3 Dubai-based facilities, yes.

4 Q. By Mr. Hoang?

5 A. Yes.

6 Q. And you have never seen any  
7 independent verification of this?

8 A. No.

9 Q. You are going entirely on Mr. Hoang's  
10 say-so?

11 A. And Mr. Kaslov, who referred us to Mr.  
12 Hoang.

13 Q. You've never met either of these  
14 gentlemen?

15 A. Correct.

16 (Pause)

17 Q. Do you know if Ms. Evans has met  
18 either of these gentlemen?

19 A. I don't know. She'll have to say so  
20 herself.

21 Q. Did you ever discuss it with her?

22 A. No.

23 Q. Did she ever tell you that she had met  
24 them?

25 A. She did not say that, no.

1 AARON ETRA, ESQ.

2 (Pause)

3 Q. Let's go back to 8.

4 A. Eight?

5 Q. Exhibit 8.

6 (Pause)

7 Q. Let's turn to the page AE-553 in

8 Exhibit 8.

9 A. Is that large one or a small one?

10 Q. That's the small one.

11 (Pause)

12 Q. If you turn to page 553 --

13 A. Okay.

14 Q. -- this is a document that you  
15 produced to us in connection with the subpoena,  
16 correct?

17 A. Yes.

18 Q. It appears to be an engagement letter  
19 between you and Valhalla Venture Group --

20 A. Yes.

21 Q. -- dated August 16, 2018.

22 Tell me about this document.

23 A. They asked if I would render  
24 professional services to them.

25 And I said I would, but on a

1 AARON ETRA, ESQ.

2 completely separate basis.

3 And hence the creation and entering  
4 into of this agreement, which was not fully  
5 complied with, and I have not rendered any  
6 professional services to.

7 Q. What kind of professional services did  
8 Valhalla Venture Group ask you to provide under  
9 this agreement?

10 A. They were interested in, basically,  
11 advice on their business activities, as I  
12 provided, I think, in connection with their  
13 business activities.

14 Q. It says: The fee for this matter  
15 shall require an initial non-refundable retainer  
16 of \$20,000?

17 A. Yes.

18 Q. Did you, in fact, receive \$20,000?

19 A. No.

20 Q. Is that why you have not provided any  
21 professional services under this agreement?

22 A. One reason.

23 They have never asked for any  
24 services.

25 Q. Do you have an attorney-client

1 AARON ETRA, ESQ.

2 relationship with Valhalla Venture Group?

3 A. I don't consider that I do, no.

4 Q. Do you have an attorney-client  
5 relationship with any member of the Austin  
6 family?

7 A. I do not.

8 Q. Have you withheld from us -- either in  
9 connection with the subpoena or in connection  
10 with the federal action -- any document on the  
11 basis of attorney-client privilege?

12 A. Not to the basis of my knowledge and  
13 belief, no.

14 Q. It's your testimony as you sit here  
15 today that you have never provided any  
16 professional services under this agreement  
17 whatsoever?

18 A. No, that's correct.

19 Q. And this agreement is, as far as you  
20 are concerned, no longer effective?

21 A. Correct.

22 Q. Or never was effective.

23 Which is it?

24 A. It never was -- never was implemented.  
25 Never paid the fee, and I never provided any

1 AARON ETRA, ESQ.

2 services.

3 Q. What kind of advice -- what advice  
4 under business activities did you contemplate  
5 giving in connection with this agreement?

6 A. I believe they were interested in the  
7 international side of their business activities,  
8 which they would reveal to me and indicate what  
9 they were interested in advice on -- which they  
10 never did.

11 Q. Did they ever say anything else about  
12 the reasons they wanted advice on their business  
13 activities?

14 A. No. Took it as a very normal request,  
15 and just never was implemented.

16 Q. Did they tell you why they never sent  
17 you the \$20,000 retainer --

18 A. No --

19 Q. -- to seek your advice?

20 A. -- no.

21 Q. Just never happened?

22 A. Just never happened.

23 Q. Did you ever ask them to follow up in  
24 any way on it?

25 A. Yes. I periodically asked them, and



1 AARON ETRA, ESQ.

2 it never was fully paid.

3 Q. Why did they say that they didn't?

4 A. They gave various reasons -- of  
5 timing, of other requirements, other  
6 commitments.

7 Q. Did they say what those other  
8 requirements and other commitments were?

9 A. They did not.

10 Q. They just generally said they had  
11 other requirements and other commitments that  
12 prevented them from --

13 A. Hm-hmm.

14 Q. -- entering into this relationship  
15 with you?

16 A. The only part -- they said they had  
17 sent it, or they will send it, or they are going  
18 to send it.

19 But it never ways sent.

20 And again, they never consulted me on  
21 their business activities.

22 Q. Do you have anything in writing to or  
23 from the Austins reflecting their inability to  
24 pursue this relationship with you?

25 A. I don't recollect if I have anything

1 AARON ETRA, ESQ.

2 that wasn't provided to you. I think I provided  
3 all the correspondence with the Austins.

4 -----  
DISCOVERY REQUEST  
5 -----

6 MR. BROMBERG: If there is any further  
7 correspondence with the Austins that you have  
8 not provided, we call for that to be produced.

9 MR. ETRA: Okay.

10 (Pause)

11 BY MR. BROMBERG:

12 Q. Let's go to Exhibit 6 at 239?

13 A. That's one of the big ones, yes?

14 Q. That's the smaller of the two --

15 A. Smaller of big ones. Okay. The one  
16 that's coming apart. I'll try to preserve it.

17 (Pause)

18 A. 239?

19 Q. Yes, 239.

20 There is an e-mail from Brandon Austin  
21 to you, dated August 14, 2018.

22 A. Okay.

23 Q. And he writes: Aaron, I have attached  
24 the client edits to the agreement.

25 A. Right.

1 AARON ETRA, ESQ.

2 Q. And the subject line is: 250 BTC  
3 Buyer Contract Edits.

4 A. Hm-hmm, right.

5 Q. Do you know why this e-mail was not  
6 produced to us in connection with the federal  
7 action, or in connection with the subpoena?

8 A. I don't know. Certainly not  
9 intentionally.

10 Q. What is the contract that this e-mail  
11 refers to?

12 A. I believe -- my recollection is I  
13 believe this is referring to what we were all  
14 trying to do, once realized that the deficit of  
15 funds.

16 The effort was to try to find a buyer  
17 for 250 bitcoins since the amount of funds that  
18 Benthos had provided was sufficient at that time  
19 for 750, and the minimum was 1,000.

20 So we were looking for a buyer for the  
21 difference between 750 and 1,000.

22 Q. So it's your testimony, as of August  
23 14, 2018, Benthos had already been advised that  
24 the \$3 million of its funds that were sent to  
25 Hong Kong was not sufficient to consummate the

1 AARON ETRA, ESQ.

2 transaction?

3 A. They were further advised that the 5  
4 million they provided was not sufficient.

5 Q. If you turn to -- strike that.

6 Who was the buyer in this contract for  
7 250 bitcoins?

8 A. I have no recollection who it was.

9 Q. You do recall there was a contract  
10 contemplated for the purchase 250 bitcoins?

11 A. My recollection there were several  
12 prospective buyers for that 250 bitcoins, yes.

13 Q. Looks like there was an actual  
14 document exchanged.

15 A. Could have been, could have been.

16 Q. And you don't recall who the buyer  
17 was?

18 A. I don't recall who that -- this buyer  
19 was, no.

20 Q. But you were to act as escrow agent in  
21 that transaction?

22 A. Yes, yes.

23 Q. Let's go to Exhibit 6 at 238, the  
24 previous page.

25 A. 238, okay.

1 AARON ETRA, ESQ.

2 (Pause)

3 Q. Can you walk us through this e-mail?

4 A. Yeah -- that was my attempt to try to  
5 get everybody to focus on the problem that had  
6 arisen because the -- as I tried to explain  
7 earlier -- the funds were insufficient to  
8 effectuate the release of the price that the  
9 bitcoins worth at the time of the Benthos  
10 contract.

11 And the contract between Valkyrie and  
12 Kaslov was submitted to the transfer storage  
13 facility.

14 There just was insufficient amount --  
15 the 5 million was insufficient. And we were  
16 advised by Benthos that they couldn't provide  
17 any more funds.

18 So this was just to try to focus  
19 everybody on the problem and to get everybody to  
20 work together. And I did that as the escrow  
21 agent because, again, I'm not a party to it.

22 But in trying to help the parties,  
23 this was an attempt to do that.

24 And I sent it to Benthos, to Gerald  
25 Fong, and Mihir Deo, as well as the two Austins,

1 AARON ETRA, ESQ.

2 and to Tracy as Dmitri's representative -- so  
3 from my perspective as an escrow agent, to try  
4 to get everybody to work together to resolve and  
5 deal with the problem that we all recognized at  
6 that point.

7 Q. What does "nostra culpa" mean?

8 A. We are all guilty.

9 Q. Why do you believe Benthos bears some  
10 responsibility for the fact that it's \$3 million  
11 was not sufficient?

12 A. Because I think they believed that it  
13 was.

14 Q. Let me strike that.

15 Why do you believe Benthos bears some  
16 responsibility for the fact that it's \$5 million  
17 were not sufficient?

18 A. Because in one way of looking at the  
19 transaction, a buyer who wants to consummate  
20 this kind of a transaction should have the  
21 ability to deal with situations like that, being  
22 able to put more funds into the transaction.

23 They -- for obviously good reasons of  
24 theirs -- can only -- could only do 5 million at  
25 any one time.

1 AARON ETRA, ESQ.

2 They had submitted to us, for example,  
3 a whole schedule of things that they could do.  
4 But it was clear that one thing they couldn't do  
5 is any more funds.

6 And they recognized that that was, you  
7 know, an impediment to finalizing this. So they  
8 were fully appreciative of their role in --  
9 in -- as part of the "nostra" that's involved in  
10 this problem -- that Dmitri Kaslov has his  
11 problem on the release; they have their  
12 constraint on the amount of money per  
13 transaction.

14 So everybody was involved with it.  
15 And I think they recognized that.

16 Q. So I understand you to be saying, sir,  
17 that Benthos was partly responsible for the  
18 failure of the transaction to be consummated  
19 because they refused to put in any amount above  
20 the \$5 million that they contracted to provide?

21 A. Not that they refused to, but they  
22 were constrained in doing so. It was a  
23 constraint that -- that was their constraint.

24 Dmitri Kaslov's constraint was he  
25 could only release based on the price of the

1 AARON ETRA, ESQ.

2 contract as submitted.

3 So it's not a refusal. It's the fact  
4 that they -- they told us -- and we obviously  
5 believed them -- that that was their constraint.

6 So each party -- and the reason why I  
7 sent to it all -- to both parties was that --  
8 that it was not pointing the finger at any one  
9 of the parties, but saying: Here is the  
10 situation, let's try to work together to resolve  
11 it.

12 Q. When you said that Dmitri Kaslov's  
13 constraint was that he could only release based  
14 on the price of the contract as submitted --

15 A. Yes.

16 Q. -- what does that mean?

17 A. In other words, at the time the  
18 contract was submitted for the bitcoins, the  
19 price of the bitcoins was 7,800.

20 And on his release procedure, he  
21 needed 5,800-some-odd -- 5,850, I believe -- to  
22 do it. And the Benthos money was only 5  
23 million.

24 So at an early point where we all  
25 recognized the problem, we realized that it was



1 AARON ETRA, ESQ.

2 \$850,000 short.

3 Benthos couldn't provide that 850,  
4 they said. So the effort was made to find  
5 others.

6 And that's where this 250,000 --  
7 250,000 bitcoins come in to be able to generate  
8 the money to release the full 1,000: 750 to  
9 Benthos, 250 to a buyer.

10 As I say, this was my attempt as an  
11 escrow agent and not a party to get the parties  
12 to recognize what the problem was and to work  
13 together to resolve it.

14 And I think people in good faith  
15 really did, and have still working to do that.

16 I would never accused Benthos of  
17 refusing. I fully appreciate they had that  
18 constraint.

19 Q. It's your understanding that the price  
20 of bitcoin at that time was \$7,800 per bitcoin?

21 A. When the contract was submitted to  
22 the -- by Dmitri Kaslov to the transfer storage  
23 facility, yes.

24 Q. Let's go to TE-122. That's part of  
25 Exhibit 7.

1 AARON ETRA, ESQ.

2 A. Exhibit 7? That's the bigger one?

3 Q. Yes.

4 A. Which page?

5 Q. Let's turn to page 122.

6 (Pause)

7 Q. There is an e-mail from Tracy Evans to  
8 Dmitri Kaslov, dated August 15, 2018 --

9 A. Hm-hmm.

10 Q. -- with the subject line: Aaron and I  
11 and Hugh are facing real trouble.

12 Do you see that, sir?

13 A. I do.

14 Q. All the way at the bottom, do you see  
15 where it says: The 7,800 number just won't work  
16 Dmitri, and it comes out of nowhere.

17 A. Well, I think what -- once she was  
18 told that 7,800 number was the applicable  
19 number, that was when it was recognized that  
20 that -- the 5 million would work based on the  
21 7,800 strike price.

22 Her comment "comes out of nowhere," I  
23 think was just part of her reaction to -- said:  
24 Oh, my God.

25 But, again, that's for her to say.

1 AARON ETRA, ESQ.

2 I'm sorry. I didn't mean to put words in her  
3 mouth.

4 But that does put the finger on the  
5 problem that the release price was 7,800. We  
6 only had 5 million to work with, and we needed  
7 5,850,000.

8 (Pause)

9 Q. You were informed by Mr. Kaslov that  
10 he could only release 1,000 bitcoins at a time?

11 A. Yes.

12 Q. And it had to be 75% of the cost of  
13 1,000 bitcoins?

14 A. It had to be 75% of the price on which  
15 the contract that he submitted was fixed at the  
16 time that the contract was submitted, yes.

17 Q. And did you ever receive any  
18 independent documentation of the so-called  
19 requirement of the storage facility system?

20 A. Not to my recollection, no.

21 Q. So Mr. Kaslov just said: I want more  
22 money?

23 A. No.

24 I didn't view it as "I want more  
25 money," because the money, you know, is used for

1 AARON ETRA, ESQ.

2 this purpose. It's not put into his pocket.

3 Q. Mr. Kaslov said: The system needs  
4 more money.

5 A. Yes.

6 Q. It's not my fault --

7 A. So, again, it is not a --

8 Q. -- I'm just a slave to the system.

9 A. No, it's not a question of fault or a  
10 slave to the system.

11 It's just that, as he described it,  
12 that was the nascent system.

13 Q. You don't know what system this is?

14 A. Well, as described to us, it's the  
15 system under which removal from the cold storage  
16 requires funds going in to effectuate.

17 Q. As described to you by Mr. Kaslov?

18 A. Yes, and Mr. Hoang.

19 (Pause)

20 Q. And neither Mr. Kaslov nor Mr. Hoang  
21 has ever provided to you any further information  
22 about this system?

23 A. Not anything more than -- than --  
24 certainly not, to my knowledge, in written form.

25 We've tried to communicate with them

1 AARON ETRA, ESQ.

2 on an ongoing basis. And that's -- that's been  
3 the focus, to try to see whether anything can be  
4 done.

5 And again, I think Ms. Evans is the  
6 better person to describe it.

7 But there was one time where Mr. Hoang  
8 said that that he was going to the transfer  
9 storage facility to see whether, in fact, if we  
10 used all the funds that we had available, he  
11 could release enough to be able at least get the  
12 procedure underway.

13 And he went.

14 As he explained to us, he had gone to  
15 Dubai to look into that and tried to do it, and  
16 unfortunately, was unsuccessful.

17 Q. Did there come a time when you used  
18 all the funds that were available to try to open  
19 up the --

20 A. The only funds I disbursed were the  
21 funds pursuant to the instructions of Mr.  
22 Kaslov, and no more, no less.

23 (Pause)

24 Q. Let's go to 234 in Exhibit 6.

25 (Pause)

1 AARON ETRA, ESQ.

2 Q. Actually, let's go to 236 first.

3 A. 236.

4 Q. So you have an e-mail from Dmitri  
5 Kaslov to Tracy Evans -- Exhibit 6 at 236.

6 Are you there?

7 A. Yeah, I'm with you.

8 Q. You have an e-mail from Dmitri Kaslov  
9 to Ms. Evans it seems, dated August 16, 2018,  
10 with the subject line: Please help?

11 A. Yes.

12 Q. Mr. Kaslov says: Hello, Tracy, Good  
13 morning. I just pleaded with the doctors for  
14 five minutes to send this to you.

15 What doctors is he referring to?

16 A. His doctors, I believe.

17 Q. He says: I'm just going into the  
18 theater for an urgent operation. I had a heart  
19 failure this morning. Due to finalizing issues  
20 with Hong Kong on the amendments and the  
21 agreement and the price, I have overstressed  
22 myself and the doctors are all scared with my  
23 developing condition.

24 What was Mr. Kaslov's condition?

25 A. I believe it's a heart condition.

1 AARON ETRA, ESQ.

2 Q. What was that heart condition?

3 A. Again, only his doctors can tell us  
4 that.

5 But he presented that he has had  
6 continuing heart problems.

7 Q. Did you ever see Mr. Kaslov's medical  
8 records?

9 A. No, I did not.

10 Q. Did you ever speak to Mr. Kaslov about  
11 his heart condition?

12 A. No, I did not.

13 Q. Did you ever see any proof that Mr.  
14 Kaslov actually had a heart condition?

15 A. No, I did not.

16 Q. Do you believe that Mr. Kaslov has a  
17 heart condition?

18 A. I do.

19 Q. He says: The instrument on the BTC  
20 can only allow the minimum of 1,000 BTC and  
21 above. The once the right figure of amount is  
22 input into the system, the delivery date for the  
23 BTC will be within 24 hours.

24 Is that the requirement of the system  
25 that you are referring to?

1 AARON ETRA, ESQ.

2 A. And it goes on: The transaction --  
3 pending now. We need to get the balance payment  
4 in order to get this done.

5 Yes.

6 Q. You later wrote to Ms. Evans:  
7 Resolving this matter calls for healthy persons  
8 to be able to get hard information and take  
9 affirmative action in a timely fashion.

10 A. Yes.

11 Q. Then you went on to write: At a  
12 minimum, this means to me Dmitri should empower  
13 you and me to fully represent him to get firm  
14 delivery commitments and the correct price for  
15 the remaining payment.

16 Did that, in fact, happen?

17 A. No, it -- what happened was he  
18 reinforced Ms. Evans' role and Mr. Hoang's role.

19 And he understands what my role is.

20 So I -- he essentially implemented  
21 this to the extent that -- saying that Mr. Hoang  
22 would be available to -- on his behalf.

23 Q. Was Mr. Hoang available on his behalf?

24 A. He's been available as, you know --  
25 ideally? You know, perhaps not.



1 AARON ETRA, ESQ.

2 But he's been available, yes.

3 Q. What has Mr. Hoang done to ensure the  
4 delivery of the bitcoin or the return of  
5 Benthos' money?

6 A. Well, as I mentioned to you, he told  
7 us he went to Dubai to try to see whether he  
8 could work with the funds we had and found out  
9 that it couldn't.

10 And then we have been -- Ms. Evans  
11 particularly -- has been working with him to see  
12 whether -- what arrangements from other buyers  
13 might work to end this logjam.

14 Q. How do you know that Mr. Hoang went to  
15 Dubai?

16 A. He told us that he went to Dubai.

17 Q. Did he show you a plane ticket?

18 A. We didn't ask for a plane ticket, and  
19 he did not show us, no.

20 Q. Did you believe he went to Dubai?

21 A. I do.

22 Q. He interacted with the storage  
23 facility there?

24 A. So he said.

25 Q. But he was unsuccessful?

1 AARON ETRA, ESQ.

2 A. So he advised us.

3 Q. Now let's go to 234.

4 (Pause)

5 Q. Friday, August 17, 2018, you e-mailed  
6 John Austin, Hugh Austin, Brandon Austin, and  
7 Tracy Evans. The subject line is: New BTC  
8 contract using Dmitri's BTC.

9 What does that refer to?

10 A. The continuing effort to find buyers  
11 to purchase bitcoins to be able to deal with the  
12 Benthos situation and to go forward from there.

13 Q. At this point, after you had sent \$3  
14 million of Benthos' money to Hong Kong, you are  
15 talking about new bitcoin contracts using  
16 Dmitri's bitcoin?

17 A. Yes.

18 Q. At that point, had you seen any proof  
19 that those bitcoin existed?

20 A. No further proof, no.

21 Q. You wrote: John, Lessons learned what  
22 we are going through on this Benthos deal  
23 include.

24 And you made reference to the 1,000  
25 bitcoin minimum, correct?

1 AARON ETRA, ESQ.

2 A. Correct.

3 Q. Then you wrote: All the language  
4 about the seller being able to use the escrowed  
5 fund and the escrow agent taking only  
6 instructions from the seller needs to be as in  
7 the Benthos contract.

8 A. Yes.

9 Q. Why did you write that?

10 A. Because the release procedure applies  
11 to all of Dmitri's bitcoins.

12 Q. At this point, what assurances had you  
13 received that the release procedure would  
14 actually being successful?

15 A. No further assurance.

16 Q. When you write "Jamal is calling me  
17 many times saying he cannot reach any Austin,"  
18 who is Jamal?

19 (Pause)

20 A. Jamal, I believe, was a prospective  
21 buyer who had appeared.

22 I don't recollect the full name of  
23 Jamal.

24 Q. Do you recall anything else about  
25 Jamal?

1 AARON ETRA, ESQ.

2 A. No.

3 (Pause)

4 Q. When you say "I did not tell him that  
5 the contract format does not work," what did you  
6 mean by that?

7 A. Where are you looking at?

8 Q. This is further down, after you say:  
9 Jamal is calling me many times saying he cannot  
10 reach any Austin.

11 I told him there is no problem in  
12 doing so. I DID NOT tell him that the contract  
13 format does not work.

14 A. Ah, that probably refers to the fact  
15 that this Jamal may well have told the Austins  
16 that the format of the -- the agreement for the  
17 bitcoins in the format that he looked at didn't  
18 work.

19 And I didn't say anything about it.

20 (Pause)

21 Q. Let's go to AE-71. That's Exhibit 6  
22 at page 71.

23 A. Seventy-one?

24 Q. Yes.

25 (Pause)

1 AARON ETRA, ESQ.

2 Q. Do you recall receiving a phone call  
3 from Gerald Fong on or about August 17, 2018?

4 A. I recollect receiving calls from  
5 Gerald Fong quite often during that period.

6 Q. In your e-mail, you say: Per your  
7 request on the call, I confirm that two  
8 transfers have been made to date, per  
9 instructions, from the \$5 million received in  
10 escrow: One of 3 million and one of 250,000,  
11 leaving 1.75 million remaining.

12 A. My recollection is Gerald asked me to  
13 put that in writing to him.

14 Q. Did you tell Gerald where the money  
15 had been sent?

16 A. Yes.

17 Q. Did you put that in writing?

18 A. No, he only asked for the amounts.

19 Q. Why did you not tell Gerald where the  
20 money had been sent?

21 A. Because he only asked for the amounts.

22 (Pause)

23 Q. Do you recall the circumstances under  
24 which another \$1.6 million of Benthos' money was  
25 sent to HK Zhixuan Trading Limited?

1 AARON ETRA, ESQ.

2 A. I recollect receiving those  
3 instructions, yes.

4 Q. From whom did you receive those  
5 instructions?

6 A. From Ms. Evans on behalf of Dmitri  
7 Kaslov.

8 Q. You transferred \$1.6 million of  
9 Benthos' money from your attorney escrow account  
10 to an account in Hong Kong based on instructions  
11 received from Ms. Evans on behalf of Mr. Kaslov?

12 A. Yes.

13 (Pause)

14 Q. Do you recall what happened  
15 immediately after that \$1.6 million was  
16 transferred?

17 A. I did --

18 Q. Benthos received its bitcoins?

19 A. No.

20 Q. Why not?

21 A. Because the funds were still  
22 insufficient to implement the release.

23 I believe -- my recollection is I  
24 believe at that point was when Mr. Hoang went to  
25 Dubai to see whether the total of 4.6 would be

1 AARON ETRA, ESQ.

2 sufficient instead of the 5,850,000.

3 Q. So you previously stated that the \$5  
4 million was not sufficient to obtain release of  
5 the bitcoin?

6 A. Yes.

7 Q. But another 1.6 million was sent,  
8 short of 5 million?

9 A. Yes.

10 Q. And what reason did you have to think  
11 that 4.6 million would be --

12 A. We were advised by Mr. Hoang that he  
13 would hope and try to use that amount of money  
14 to effectuate the release.

15 Q. Did Mr. Hoang say what would happen if  
16 it didn't work?

17 A. All he said was he would try to make  
18 the work.

19 Q. Were you concerned at all that it  
20 might not work?

21 A. Yes, because time was going and we  
22 obviously wanted it to work.

23 Q. Did you have any assurances that the  
24 money would be returned if the \$4.6 million did  
25 not achieve release of the bitcoin?

1 AARON ETRA, ESQ.

2 A. The only assurance that was given was  
3 the one given by Mr. Hoang -- that if the full  
4 amount was provided and didn't effectuate the  
5 release, the full amount would be refunded under  
6 those circumstances.

7 Q. Have you ever asked Mr. Hoang why the  
8 money was not refunded?

9 A. Well, as I said, the -- what he said  
10 was "if the full amount was paid in" -- which it  
11 has never been. So that would be the basis on  
12 which the money would be returned.

13 Q. So the full amount of 5.875 needs to  
14 be paid in?

15 A. I think it was 5.850.

16 Q. To get the money back?

17 A. No, to either to release the bitcoins  
18 or to get the money back if it didn't --

19 Q. So in order to get money out of the  
20 storage facility, you need to put more money  
21 back in?

22 Is that your understanding?

23 A. You needed to put the money that was  
24 necessary from the beginning of the transaction  
25 in order to effectuate the release, yes.



1 AARON ETRA, ESQ.

2 Q. How does money go into the storage  
3 facility?

4 Does it have a bank account?

5 A. The only bank accounts that we were  
6 advised of was the accounts to which the funds  
7 were sent.

8 Q. So can you think of any reason that an  
9 account at China CITIC International would  
10 require \$5.875 million to be transferred it in  
11 order to take money out?

12 A. The procedure that was explained to us  
13 does make sense.

14 Q. Have you ever seen that procedure  
15 anywhere else?

16 A. I have not been involved in any other  
17 bitcoin transaction.

18 Q. But it makes sense to you that there  
19 would be a storage facility from which money  
20 cannot be withdrawn until certain amount of  
21 money has been placed in?

22 A. Yes.

23 Q. So Benthos' \$4.6 million went out and  
24 no bitcoins came in?

25 A. Yes.

1 AARON ETRA, ESQ.

2 Q. What did you think at that point?

3 A. Well, all along, as I expressed in  
4 that e-mail that you referred to, my hope was  
5 that the parties -- with whatever help anybody  
6 could give them -- would be able to resolve the  
7 situation to the satisfaction of all concerned.

8 So my thought about it was to try to  
9 do whatever part I could to help that.

10 But it was a situation that needed to  
11 be resolved.

12 Q. And the only solution was for somebody  
13 to put another \$1.25 million in?

14 A. That was -- as it was explained to  
15 us -- was the procedure that were involved.

16 Q. That seemed normal to you?

17 A. That seems understandable to me.

18 Q. As we sit here, six months later, does  
19 that still seem normal and understandable to  
20 you?

21 A. The procedure sounds normal and  
22 understandable. I feel --

23 Q. Excuse me -- eight months later.

24 A. I think each day is unfortunate, but  
25 the procedures remain understandable. I mean,

1 AARON ETRA, ESQ.

2 it doesn't make anybody happy, myself fully  
3 included.

4 Q. If Benthos were to put in another  
5 \$1.25 million today, do you think they would get  
6 their bitcoins?

7 A. I believe they would, to the best of  
8 my knowledge and belief.

9 Q. Let's go to Exhibit 7 at 435.

10 (Pause)

11 Q. Hold on. Let's go back. Let's go to  
12 431 first.

13 A. 431. Okay.

14 Q. This is Exhibit 7 at TE-431, an e-mail  
15 from you, with the subject line: FW: BTC  
16 Transaction Important Update.

17 E-mail from you to Tracy Evans, Gerald  
18 Fong, Brandon Austin, Mihir Deo, Hugh Austin,  
19 and John Austin on Friday, August 24th.

20 You write: Dmitri enabled Tracy and  
21 me to speak with the transfer storage  
22 representative he named to discuss what might be  
23 done to enable the delivery of bitcoin from  
24 Dmitri's wallet to Brandon's wallet  
25 notwithstanding the lack of available additional

1 AARON ETRA, ESQ.

2 funds.

3 A. Yes.

4 That referred to the discussion with  
5 Mr. Hoang, which we have been talking about.

6 Q. What do you recall about that  
7 conversation with Mr. Hoang?

8 A. What I recall is what I put in the  
9 next paragraph -- was that he said he'd use his  
10 best efforts to try to get it delivered with the  
11 amount of funds that we currently had.

12 I mean, that's a very good description  
13 of what we have been talking about -- that he  
14 would try to go to Dubai and see whether the 4.6  
15 that we had would be sufficient to start the  
16 release of the funds.

17 Q. Did he tell you why it would or would  
18 not be sufficient?

19 A. No. He said he would go and try. He  
20 said he would use his best efforts to see if it  
21 could be done.

22 Q. What was your understanding of the  
23 likelihood of Mr. Hoang successfully releasing  
24 the bitcoins from the system with \$4.6 million?

25 A. I had no understanding or no

1 AARON ETRA, ESQ.

2 estimation. I think, like all concerned, I was  
3 hopeful he might be able to effect wait that.

4 Q. He said he would try and that gave you  
5 some --

6 A. He said he would try.

7 Q. And so you sent \$1.6 million  
8 additional to Mr. Hoang?

9 A. I believe that was significantly  
10 after -- well, it was in conjunction -- about  
11 the same time, if I remember --

12 Q. Do you know if, in fact, Mr. Hoang  
13 tried to obtain the bitcoin?

14 A. He so indicated to us that he did go  
15 to Dubai and he tried to do it.

16 Q. What happened in Dubai?

17 A. He said, unfortunately, they wouldn't  
18 do it.

19 Q. But he didn't send the money back?

20 A. No.

21 Q. And why is that?

22 A. Well, because there was no basis of  
23 sending the money back. Based on what he and  
24 Mr. Kaslov has always said to us, there is no  
25 basis of sending the money back.

1 AARON ETRA, ESQ.

2 The release procedures is the release  
3 procedure. You fulfill it, and they fulfill  
4 their obligations, or they send the money back  
5 at that point.

6 Q. None of this strikes you as unusual?

7 A. I think unusual -- I mean, I think  
8 cryptocurrency is an unusual field. So I think  
9 the answer is: Everything is unusual. And it's  
10 new ground.

11 But as you see in this e-mail and the  
12 other one that we looked to -- the nostra culpa  
13 one -- I tried to get everyone to focus as best  
14 as possible and using whatever ability they had  
15 to come up with a solution to this.

16 So, yes, I will agree it's unusual.

17 But I think the whole world of  
18 cryptocurrency, so far as I could see, was very  
19 unusual.

20 Q. You believe as you sit here today that  
21 everyone in this transaction was proceeding in  
22 good faith?

23 A. I do believe the good faith on the  
24 part of all concerned.

25 Q. Now let's go --

1 AARON ETRA, ESQ.

2 A. If I may just interject.

3 Q. Please.

4 A. One of the reasons for it is if it's  
5 not good faith, my experience is the people of  
6 bad faith would long have disappeared on these  
7 kinds of transactions -- way, way before the  
8 eight months, as Mr. Popofsky correctly pointed  
9 out, down the road, we would have seen the back  
10 of them and it would be a totally different  
11 situation.

12 Q. Well, who are the persons that  
13 received the money?

14 A. Again, the money, as we were  
15 explained, went to the transfer storage  
16 facility.

17 Q. Where can that be found?

18 A. It's up to them to -- I mean, we know  
19 the account that it went to.

20 And I don't know where they can be  
21 found.

22 Q. "The account that it went to" -- you  
23 are referring to the account of HK Zhixuan  
24 Trading Company at China CITIC International?

25 A. The ones to which the funds were sent.

1 AARON ETRA, ESQ.

2 Q. Are you aware that, in or around  
3 August, 2018, a request was made to dissolve HK  
4 Zhixuan Trading Company?

5 A. I was not aware, no.

6 Q. Are you aware that in January, 2019,  
7 HK Zhixuan Trading Limited was administratively  
8 dissolved?

9 A. No, I was not aware.

10 Q. Does that strike you as unusual?

11 A. I don't know about unusual.

12 Again, I think in respect of these  
13 accounts, they are very often opened and closed  
14 for security reasons, and the account holders  
15 are done the same way.

16 I think people are extremely concerned  
17 about security.

18 And my understanding is that the  
19 opening and closing of both the account holders  
20 and the accounts themselves does take place.

21 Q. So you sent \$4.6 million of Benthos  
22 Master Fund's to HK Zhixuan Trading Company.

23 And that company was subsequently  
24 dissolved.

25 And you don't see any problem with



1 AARON ETRA, ESQ.

2 that?

3 A. Again, I'm concerned about the funds.  
4 I'm not concerned about the company. I'm  
5 concerned about Benthos' found.

6 Q. Does the dissolution of the company  
7 tell you anything about the likelihood of  
8 Benthos receiving its funds back from that  
9 company?

10 A. No, because I think Benthos is looking  
11 to receive the money back from where the  
12 bitcoins are. And that's -- that is the focus.  
13 That's the focus of all of us.

14 Q. You believe the bitcoins are in Dubai?

15 A. Yes, best of my knowledge.

16 Q. You don't know where Benthos' money  
17 is?

18 Let's go to 435 in Exhibit 7.

19 (Pause)

20 A. Yes, I'm with you.

21 Q. This is the e-mail with the subject  
22 line: Legal Action Notice: Benthos Guarantee  
23 Clause --

24 A. Yes.

25 Q. -- from Gerald Fong to Hugh Austin,

1 AARON ETRA, ESQ.

2 Brandon Austin, and you --

3 A. Yeah, yeah.

4 Q. -- and a copy to Bresler -- Daniel  
5 Bresler, and a bcc to Mihir Deo, dated August  
6 28, 2019.

7 Do you see that, sir?

8 A. I do.

9 Q. Do you recall receiving this e-mail?

10 A. I do recall -- I believe so. I don't  
11 have clear recollection of it, though.

12 Q. Well, what do you recall about  
13 receiving this e-mail?

14 A. No, again, I'm just looking at it now.

15 (Pause)

16 A. I'm with you.

17 Q. What do you recall of this e-mail?

18 A. I'm just looking at it now. I have no  
19 recollection otherwise.

20 (Pause)

21 MR. BROMBERG: Mark this Exhibit 23.

22 (Exhibit Etra 23, Single-page e-mail  
23 From: Gerald Fong, To: Tracy Evans, Subject:  
24 Questions, Sent: August 29, 2018 (no Bates No.),  
25 marked for identification)

1 AARON ETRA, ESQ.

2 BY MR. BROMBERG:

3 Q. This is an e-mail from Gerald Fong to  
4 Tracy Evans, dated August 29, with the subject  
5 line: Questions?

6 A. Yeah.

7 Q. There is a series of questions from  
8 Mr. Fong to Ms. Evans?

9 A. Yeah.

10 Q. Did you ever discuss this e-mail with  
11 Ms. Evans?

12 A. I have no recollection of discussing  
13 it with her.

14 Q. Can you think of any reason why Ms.  
15 Evans did not respond to this e-mail?

16 A. No idea why.

17 (Exhibit Etra 24, Single-page letter  
18 from Mark J. Hyland to Aaron Etra, dated August  
19 31, 2018 (no Bates No.), marked for  
20 identification)

21 BY MR. BROMBERG:

22 Q. Do you recall receiving this letter,  
23 sir?

24 A. I don't have a clear recollection of  
25 it, but I do recollect receiving something from

1 AARON ETRA, ESQ.

2 that law firm.

3 Q. This is a letter from Mark Hyland of  
4 Seward & Kissel LLP to you, dated August 21,  
5 2018.

6 Do you have any specific recollection  
7 of receiving this letter?

8 A. I do recollect receiving something  
9 from that law firm, yes.

10 Q. What do you recall doing when you  
11 received this letter?

12 A. I don't have a clear recollection.

13 But I do believe -- whether it's in  
14 response to Gerald's next call, or my call to  
15 him, I asked him about it.

16 And I said: This -- you know, what's  
17 the basis for it?

18 And he said: Well, you know, we have  
19 to send out a lawyer's letter.

20 And this is what this is.

21 Q. Do you see where the letter says:  
22 Benthos demands that you immediately provide us  
23 with all details concerning the release of the  
24 Escrow Funds, including but not limited to all  
25 banking and wire instructions, the identity,

1 AARON ETRA, ESQ.

2 address, and bank account information of all  
3 recipients of any portion of the Escrow Funds,  
4 all communications between or among you,  
5 Valkyrie Group LLC, Valhalla Venture Group LLC  
6 Brandon Austin, and Hugh Austin, or any of their  
7 affiliates or representatives concerning the  
8 Contract or monies held in escrow?

9 A. Yes.

10 But my recollection was part of my  
11 discussion with Gerald was: What should I do  
12 about it?

13 And I said: This seems to be a very  
14 heavy-handed action at the time that we were all  
15 working together to try to resolve the  
16 situation.

17 My recollection was that we agreed.

18 He said "okay, I'll have him back off"  
19 or "don't be overly concerned about it."

20 Q. Mr. Fong told you he would tell his  
21 lawyer to back off?

22 A. He said he recognized this was not  
23 consistent with us working together at that  
24 point in time.

25 Q. Did you provide Mr. Fong's lawyers

1 AARON ETRA, ESQ.

2 with banking and wire instructions?

3 A. I provided nothing to Seward & Kissel.

4 Q. Why is that?

5 A. Because my understanding from Mr. Fong  
6 was that would not be necessary.

7 Q. You have in writing from Mr. Fong that  
8 you need not provide any of the information  
9 demanded by his lawyer?

10 A. I do not.

11 (Pause)

12 Q. Let's go to TE-625. That's Exhibit 7  
13 at 625?

14 A. 625?

15 (Pause)

16 Q. That's a letter dated September 28,  
17 2018, from my colleague, Steven Popofsky, to  
18 Michael Hess.

19 Who is Michael Hess?

20 A. Michael Hess is an attorney in New  
21 York who has been a longtime friend of mine.

22 Q. Why do you think Mr. Popofsky was  
23 writing this letter to Mr. Hess?

24 A. That's a question for Mr. Popofsky.

25 Q. Was Mr. Hess representing you as your

1 AARON ETRA, ESQ.

2 attorney?

3 A. I had asked him to represent me, yes.

4 Q. Was he, in fact, representing you?

5 A. I think he said that he would.

6 I believe he subsequently had a  
7 conflict in the firm that he was with.

8 Q. Did he tell you the nature of that  
9 conflict?

10 A. I think that some of the people in  
11 that firm also represent some people who are  
12 investors in Benthos.

13 Q. But at the time, you held out Mr. Hess  
14 as your attorney, did you not, sir?

15 A. That's correct.

16 Q. That is the reason that Mr. Popofsky  
17 wrote to Mr. Hess an not to you, correct?

18 A. Again, I can't speak for Mr. Popofsky.

19 Q. Again, if you look at Mr. Popofsky's  
20 letter to Mr. Hess --

21 A. Yes.

22 Q. -- it also sets forth a series of  
23 questions, correct?

24 A. Yes.

25 Q. Can you read those to us?

1 AARON ETRA, ESQ.

2 Let's start with No. 1.

3 A. Of the 5 million deposited to our  
4 client into Mr. Etra's escrow account pursuant  
5 to the Escrow Agreement, how much, if any, is  
6 Mr. Etra presently holding in escrow, and is he  
7 willing to return those remaining funds to our  
8 clients upon demand?

9 If Mr. Etra is holding money in escrow  
10 and is not willing to return it to our client on  
11 demand, is he willing to commit in writing not  
12 to transfer any of that money without our  
13 client's written consent (or a court order)?

14 Identify all transfers or  
15 disbursements made to date from the 5 million  
16 escrow of Mr. Etra, including at a minimum, the  
17 recipients of each transfer, the amount  
18 transferred on each occasion, the written  
19 instructions upon which each transfer was made,  
20 written confirmation of each transfer, the bank  
21 account information, and wire transfer  
22 information, if any, associated with each  
23 transfer.

24 Q. You did not respond to this letter,  
25 did you?



1 AARON ETRA, ESQ.

2 A. I think it was addressed to Mr. Hess.

3 Q. Did Mr. Hess give this letter to you?

4 A. Trying to recollect if he did.

5 (Pause)

6 A. I have no clear recollection.

7 I do recollect discussing with him  
8 that all the information was known by Benthos --  
9 any of the information --

10 Q. I'm not asking you, sir, to tell me  
11 the substance of your communications with Mr.  
12 Hess.

13 I want to know if Mr. Hess showed you  
14 this letter.

15 A. I have no clear recollection of  
16 whether he did or didn't.

17 Q. Do you recall having seen this letter?

18 A. I have no clear recollection of seeing  
19 this letter.

20 Q. It's your testimony as you sit here  
21 today that, at the time this letter was sent to  
22 Mr. Hess, he was or was not representing you as  
23 your attorney?

24 A. I believe he had agreed to represent  
25 me as my attorney, yes.

1 AARON ETRA, ESQ.

2 Q. Can you think of any reason that Mr.  
3 Hess would not have responded to this letter?

4 A. I can't speak for him.

5 Q. You would agree that he did not  
6 respond to this letter?

7 A. I don't know. That's for Mr. Popofsky  
8 to say.

9 Q. Do you have reason to think Mr. Hess  
10 provided a response to this letter and he just  
11 didn't show it to you?

12 A. I truly -- I don't understand -- I  
13 have no recollection of what he did or didn't  
14 do.

15 Q. Did you ever commit to Benthos that  
16 you would return its funds upon demand?

17 A. No.

18 Q. Did you ever commit in writing to  
19 Benthos that you would not transfer any of that  
20 money without their written consent?

21 A. No.

22 Q. Did you ever identify to Benthos all  
23 transfers or disbursements that were made to  
24 date from the \$5 million escrowed with you?

25 A. Yes.

1 AARON ETRA, ESQ.

2 Q. Including the recipients of those  
3 transfers?

4 A. Yes.

5 Q. You identified HK Zhixuan Trading  
6 Company?

7 A. Yes.

8 Q. On or about September 28, 2018?  
9 Or prior to that?

10 A. It would all have been prior to that  
11 date.

12 Q. You provided to Benthos the written  
13 instructions upon which that transfer was  
14 made --

15 A. Again, I --

16 Q. -- on or before September 28th?

17 A. -- I don't recollect how much detail I  
18 provided.

19 But I certainly provided to them the  
20 basis of the transfer and the arrangements for  
21 those transfers, yes.

22 Q. But you did not provide the written  
23 instruction.

24 A. I don't know -- I don't recollect  
25 whether I did or not.

1 AARON ETRA, ESQ.

2 (Pause)

3 Q. Did you provide this information at  
4 any point in the future, after September 28,  
5 2018?

6 A. I believe all the information I  
7 provided to yourselves included that  
8 information, yes.

9 Q. What were the circumstances under  
10 which you provided the wire instructions that  
11 named HK Zhixuan Trading Company to Benthos or  
12 to Benthos' counsel?

13 A. I don't remember the first time I did  
14 it, but I obviously have done it.

15 Q. When was the first time that you  
16 provided the wire instructions?

17 A. I don't recollect.

18 Q. What was the reason you provided the  
19 wire instructions?

20 A. I believe it was in response to a  
21 request for it.

22 Q. So you provided the wire instructions  
23 to HK Zhixuan Trading Company to Benthos upon  
24 their request?

25 A. I don't recollect whether I provided

1 AARON ETRA, ESQ.

2 those details, as I've already testified.

3 Q. So you don't have any specific  
4 recollection of whether you provided those wire  
5 instructions to Benthos?

6 A. Well, the wire instructions, I  
7 provided.

8 The details -- I don't recollect what  
9 details were provided.

10 But the fact of the wire transfer --

11 Q. When you say, sir, that the wire  
12 instructions were provided, but details were not  
13 provided, what does that mean?

14 You either provided the wire  
15 instructions or you didn't, sir.

16 A. I'm sorry. You pointed to an e-mail  
17 which indicates that I provided the information  
18 on the amounts.

19 And in many conversations with them, I  
20 provided further details.

21 So the answer is yes, I did.

22 (Pause)

23 Q. Let's go back to Exhibit 20.

24 (Pause)

25 Q. It this document, sir.

1 AARON ETRA, ESQ.

2 A. Okay.

3 Q. Did you send this document to Benthos?

4 It's a simple yes-or-no question.

5 A. I don't recollect if I did.

6 Q. You don't recall if you ever sent this  
7 document to Benthos --

8 A. That's correct.

9 Q. -- or to any agent of Benthos?

10 A. I don't recollect whether I did or  
11 not.

12 Q. Do you recall sending any specific  
13 document to Benthos?

14 A. I think there have been written  
15 communications with Benthos from July onward,  
16 which have been produced to you gentlemen.

17 Q. Let's go to Exhibit 6 at page 93.

18 (Pause)

19 A. Exhibit 6 --

20 Q. Exhibit 6 is the smaller of the two --

21 A. It is smaller of the two large ones.  
22 Okay, sorry.

23 (Pause)

24 A. What page did you say?

25 Q. Ninety-three, AE-93.

1 AARON ETRA, ESQ.

2 (Pause)

3 Q. Do you recognize this document, sir?

4 A. It does look familiar.

5 Q. It's addressed to you and to Valkyrie

6 Group --

7 A. Hm-hmm.

8 Q. -- from Gerald Fong of Benthos Master  
9 Fund.

10 And it's titled: Notice of  
11 Termination of Escrow?

12 A. Hm-hmm.

13 Q. Can you read to us, starting from the  
14 middle of the second paragraph: And accordingly  
15 the transaction referred to?

16 A. And accordingly the transaction  
17 referred to in the Escrow Agreement and the BTC  
18 Agreement was not consummated within the  
19 required time. Accordingly, the Deposit funds  
20 need to be returned to the Buyer immediately,  
21 and without disbursement of any fee to the  
22 Escrow Agent from the Buyer.

23 Q. Were Benthos' funds returned  
24 immediately?

25 A. No.

1 AARON ETRA, ESQ.

2 Q. Why is that?

3 A. As escrow agent, I followed the escrow  
4 agreements and so on, which didn't provide for  
5 termination or return of the funds within any  
6 limit of time.

7 I read this as not applicable to my  
8 functioning in my obligations.

9 Q. Did you request that Valkyrie return  
10 the funds?

11 A. I did not.

12 I assumed that this request was  
13 directed to Valkyrie. And that was not my role  
14 to do any request to Valkyrie.

15 Q. Let's go to page 91 of the same  
16 exhibit. That's two pages back.

17 (Pause)

18 Q. That's a response to Mr. Popofsky's  
19 e-mail, which attached the notice of termination  
20 escrow.

21 Do you see that?

22 A. Ninety-one is an e-mail from me to the  
23 Austin, Tracy, etc. --

24 Q. If you go down to the bottom of that  
25 page, you see there is an e-mail from Steven



1 AARON ETRA, ESQ.

2 Popofsky to you and others --

3 A. Yes, I do.

4 Q. -- dated October 12?

5 A. Hm-hmm.

6 Q. Below that, it says: This firm  
7 represents Benthos Master Fund, Limited. Please  
8 see the attached Notice of Termination of  
9 Escrow.

10 Do you see that?

11 And the notice of termination of  
12 escrow was the document you just discussed, set  
13 forth at AE-93, correct, sir?

14 A. That is correct.

15 Q. And you replied to that e-mail.

16 And the persons that you replied to  
17 were jaustin@valhallaventuregroup.com?

18 Is that John Austin?

19 A. Yes.

20 That's not a reply to Mr. Popofsky.

21 That's an e-mail to the --

22 Q. It's a forward.

23 A. Well, it forwarded the e-mail.

24 But the e-mail is not addressed to Mr.  
25 Popofsky.

1 AARON ETRA, ESQ.

2 Q. It was addressed to John Austin,  
3 correct?

4 A. It was -- looks like it's addressed to  
5 John Austin, Brandon Austin, copied to Tracy  
6 Evans, to Michael Hess, not to Mr. Popofsky.

7 Q. Why did you copy Michael Hess?

8 A. Because he was assisting me as -- in  
9 representation.

10 Q. You wrote: John and Brandon, You have  
11 received this material as well as me. As the  
12 other contracting party to the relevant  
13 agreements with Benthos and the one whose  
14 instructions on the escrow funds I am committed  
15 to follow, please advise how you intend to deal  
16 with this notice, specifically instructing me  
17 with respect to the funds still on escrow  
18 deposit.

19 A. That's correct.

20 Because any action on my part would  
21 have to come from them, not from Benthos.

22 Q. What did the Austins instruct you to  
23 do?

24 A. To my knowledge, they didn't give me  
25 any instruction to take any actions --

1 AARON ETRA, ESQ.

2 Q. Did they reply to this e-mail?

3 A. I don't recollect if they did.

4 Q. Did they acknowledge receipt of this  
5 e-mail?

6 A. I don't recollect if they acknowledged  
7 receipt to it.

8 Q. Why did you not copy Benthos on this  
9 e-mail?

10 A. Because I believed that I was in a  
11 situation where Benthos was represented by  
12 counsel.

13 Q. Why did you not copy Benthos' counsel  
14 on this e-mail?

15 A. This was not meant to be a reply to  
16 Benthos' counsel.

17 Q. Was this meant to be a private e-mail  
18 between you, and the Austins, and your  
19 lawyer? --

20 A. This was meant to be --

21 Q. -- and Ms. Evans?

22 A. -- to be communication to those  
23 recipients, yes.

24 Q. What did you do when you did not  
25 receive a response from the Austins?

1 AARON ETRA, ESQ.

2 A. Well, essentially what I did was not  
3 take any action in response to Mr. Popofsky's  
4 communication.

5 Q. So you did not return the \$400,000?

6 A. I did return the 400,000 -- not at  
7 that time, but as you know, the 400,000 I did  
8 return.

9 Q. Why did you return the \$400,000 at a  
10 later time an not in response to this e-mail?

11 A. Because at this time, we were all  
12 working together to try to have a resolution,  
13 for which that 400 may well have been an  
14 important part.

15 Q. When you say "we were all working  
16 together to try to have a resolution," what do  
17 you mean by that?

18 A. In other words, right up until the  
19 time of the court hearing that took place,  
20 Gerald was communicating -- primarily with Ms.  
21 Evans, but once in a while to me as well -- and  
22 recognizing the efforts that were going along  
23 and the need for having funds to do that.

24 Q. You understand, sir, that the letter  
25 set forth at page 93 demands the return of the

1 AARON ETRA, ESQ.

2 deposit funds to the buyer immediately?

3 A. I see what the letter says, yes.

4 Q. What do you understand that to mean?

5 A. That's the claim that action should be  
6 taken. That's what I take it to mean.

7 Q. But you did not take that action?

8 A. Correct.

9 Q. You did not return any money to  
10 Benthos in response to this letter?

11 A. Correct.

12 Q. You didn't return Benthos' money until  
13 more than a month later.

14 Is that correct?

15 A. I returned the money when -- on what  
16 date was this? I think in one of our exhibits  
17 we have that exact date.

18 Q. I'll represent to you, sir, that it  
19 was on November 15, 2018.

20 Does that sound right?

21 A. It sounds right.

22 Q. Why did you return \$400,000 to Benthos  
23 Master Fund on November 15, 2018?

24 A. That was part of the court order to do  
25 so.

1 AARON ETRA, ESQ.

2 Here it is. You are correct, November  
3 15.

4 (Pause)

5 Q. Subsequent to the return of \$400,000  
6 of Benthos' money on November 15, 2018, what  
7 efforts did you make to return the other  
8 \$4.6 million?

9 A. The efforts I have been making is to  
10 try to find a solution in the person of a buyer  
11 for escrow -- for the bitcoins or some other way  
12 of being able to release the funds that went to  
13 the transfer storage facility.

14 Q. What other way of releasing the funds  
15 from the transfer storage facility have you  
16 pursued?

17 A. I have certainly presented through Ms.  
18 Evans the desirability of if the -- if the owner  
19 can free up funds in some other fashion, to  
20 return the \$4.6 million.

21 Q. What do you mean when you say you:  
22 Presented through Ms. Evans the desirability of  
23 releasing the funds?

24 A. Clearly, if the procedures of the  
25 transfer storage facility need to be followed,

1 AARON ETRA, ESQ.

2 we are trying in our way to do so. And the  
3 seller might be able to try in his way to  
4 provide funds in order to effectuate that  
5 release.

6 Q. The procedures of a transfer storage  
7 facility that only Dmitri Kaslov and Minh Hoang  
8 Le know?

9 A. No. It's known to all the parties  
10 from the minute it was presented. So it is --  
11 that was disclosed.

12 Q. As related to you by Mr. Kaslov and  
13 Mr. Hoang?

14 A. Yes.

15 Q. For a storage facility that those two  
16 gentlemen have exclusive control over?

17 A. The storage facility that is involved.  
18 I don't know they have exclusive  
19 control or not. I have no way of knowing.

20 Q. Did you ever demand the return of the  
21 \$4.6 million from Mr. Hoang?

22 A. In my role as I understood, it was not  
23 to make such a demand.

24 Q. What is your role at this point?

25 A. My role is to follow the procedures

1 AARON ETRA, ESQ.

2 that I was engaged to do, and to do my best  
3 efforts to help the parties resolve that  
4 situation.

5 Q. What do those procedures call for if  
6 you send money out on the purported instructions  
7 of the seller and no bitcoin is delivered to the  
8 buyer?

9 A. There was no provision for that. And  
10 there was no provision for termination of the  
11 escrow. There was no such provision in the  
12 agreements.

13 Q. So what do you understand your  
14 obligation to be as regards Benthos Master Fund  
15 under the agreement?

16 A. To be available to assist in any way  
17 from this point onward -- that -- not -- I don't  
18 visualize myself as a party. I don't represent  
19 the parties.

20 And all I can do is what I have tried  
21 to do -- both in communications and in  
22 efforts -- to come up with a way in being able  
23 to resolve the situation.

24 Q. So you have requested that -- strike  
25 that.



1 AARON ETRA, ESQ.

2 (Pause)

3 Q. Can you tell us anything else about  
4 your efforts to secure the release of the \$4.6  
5 million from the so-called storage facility?

6 A. I don't think so.

7 Q. Would it be fair to say that the  
8 majority of those efforts were in pursuit of a  
9 second buyer?

10 A. It would be fair to say in pursuit of  
11 a buyer to either deal with the remaining  
12 bitcoins under the original contract, or some  
13 other arrangement whereby funds to purchase  
14 bitcoins could be -- could help to effectuate  
15 the release and the money come back to Benthos.

16 Q. Tell us more about those efforts.

17 A. Well, again, there are people who do  
18 contact looking for bitcoins, and they certainly  
19 are in demand.

20 The challenge is to find a mechanism  
21 that complies with the release procedure and can  
22 effectuate the release and to return of the  
23 funds.

24 Q. Are people still contacting you about  
25 purchasing bitcoins?

1 AARON ETRA, ESQ.

2 A. Periodically, yes.

3 Q. What do you tell those people?

4 A. I tell them that they would have to do  
5 a procedure along the lines of what's necessary  
6 to release bitcoins.

7 Q. Why are people still contacting you  
8 about purchasing bitcoins, if you know?

9 A. I really don't know. My feeling is  
10 that as I mentioned earlier, that bitcoins are  
11 in demand.

12 Q. Are you known in the industry to be a  
13 person who facilitates transactions in bitcoin?

14 A. Not to facilitate bitcoin --  
15 transactions in bitcoins, but as a person who  
16 does, you know, function as an escrow agent.

17 Q. Have you ever functioned as an escrow  
18 agent in a successful transaction for the  
19 purchase of bitcoin?

20 A. No.

21 (Pause)

22 Q. When was the last contact that you had  
23 with the Austins?

24 A. I don't recollect. I believe it was  
25 several weeks ago.

1 AARON ETRA, ESQ.

2 Q. What did you discuss with the Austins  
3 several weeks ago?

4 A. I think they just called to say hello.

5 And the discussion was: Is there  
6 anything they could do currently to resolve the  
7 situation more than they had been doing up until  
8 then?

9 Q. What did you tell them?

10 A. I urged them to do whatever they could  
11 do.

12 Q. Do you know of anything they have  
13 done?

14 A. I do not.

15 Q. What have you done?

16 A. What have I done? In what respect?

17 Q. What have you done in the last month  
18 to procure the return of the \$4.6 million?

19 A. I have -- any inquiry that seemed at  
20 all promising, I would try to direct toward this  
21 objective.

22 Q. Do you believe that you have any  
23 affirmative obligation to continue to pursue the  
24 return of that \$4.6 million?

25 A. I believe I have fulfilled all my

1 AARON ETRA, ESQ.

2 obligations under the agreements.

3 (Pause)

4 Q. How many draft contracts have been  
5 circulated regarding potential second buyers in  
6 this transaction?

7 A. I really have not been the one keeping  
8 track of it. I think Ms. Evans is the one  
9 who -- you should ask and look to on that.

10 Q. So you can't say as you sit here today  
11 how many potential second buyers you have spoken  
12 to or --

13 A. I would estimate at least -- at least  
14 five.

15 Q. What are the names of those buyers?

16 A. I don't want to disclose them because  
17 they were negotiated -- presented to us in  
18 confidence.

19 Q. You understand that you are under  
20 subpoena?

21 A. I do.

22 Q. And you understand that you are under  
23 oath?

24 A. I do.

25 Q. Are you refusing to answer the

1 AARON ETRA, ESQ.

2 question on the ground of confidentiality?

3 A. I am doing that under confidentiality,  
4 yes.

5 (Pause)

6 Q. Let's go to 528 of Exhibit 7.

7 A. That's the big one?

8 Q. Yes.

9 A. 528?

10 Q. Yes. 528.

11 (Pause)

12 Q. This is an e-mail from Tracy Evans to  
13 Minh, dated November 21, 2018.

14 Do you see that?

15 A. Yes, I do.

16 Q. Do you see in the middle of the page  
17 where it says: Aaron received the contempt  
18 motion papers by e-mail last night our time at  
19 11:50 p.m. Does that not seem serious to you?

20 A. Hm-hmm. Yes, I do.

21 Q. Then below that, it says: As I said,  
22 Aaron sent them back the 400K and answered all  
23 their questions, but did not have the proof that  
24 the money arrived overseas, and that is a big  
25 issue.

1 AARON ETRA, ESQ.

2 Do you see that?

3 A. I think that was in reference to that  
4 first transfer of the 3 million which we didn't  
5 have the proof of, yeah.

6 Q. Did you ever see proof of where  
7 Benthos' money actually went?

8 A. Well, we did have confirmation that it  
9 was received and that's why the 250,000 came  
10 back.

11 Q. Below that, it says: If you can help  
12 with proof of receipts for the 3 million and  
13 1.6 million, that would help greatly and put  
14 that matter to rest as the judge may not  
15 understand wires, and think Aaron is in contempt  
16 of court.

17 A. Right.

18 Q. Have you ever seen any proof or any  
19 indication whatsoever in writing of where that  
20 \$4.6 million currently resides?

21 A. The -- in writing, the communications  
22 from, I think, both Dmitri and Mr. Hoang --  
23 which I think I provided copies of what I  
24 received, and I hope Ms. Evans would do the same  
25 thing -- of confirmation of the wires as they

1 AARON ETRA, ESQ.

2 were received.

3 Q. Have you ever seen confirmation of the  
4 money in its current location?

5 A. Not any current information.

6 Q. Have you ever seen a statement for a  
7 Hong Kong or Dubai bank account?

8 A. No.

9 Q. Have you ever seen a screenshot of any  
10 bank account?

11 A. No.

12 Q. Have you ever seen a screenshot of the  
13 purported storage facility?

14 A. No.

15 Q. Storage system?

16 A. No.

17 Q. Do you have any idea where Benthos'  
18 \$4.6 million is?

19 A. My last recollection of it was where I  
20 transferred it to.

21 Q. In August of 2018?

22 A. Yes.

23 (Pause)

24 Q. Have you asked where the money  
25 resides?

1 AARON ETRA, ESQ.

2 A. As you see in this correspondence,  
3 I've asked for as much support on that issue as  
4 possible.

5 And what you have been reading is  
6 consistent with that, not only in respect of  
7 Benthos, but in respect of a new buyer to give  
8 comfort that the funds, when transferred, are  
9 going and will achieve what they need to  
10 achieve.

11 So I have continually pressed for  
12 that.

13 Q. Ever you asked Mr. Hoang for specific  
14 information --

15 A. Yes.

16 Q. -- about where the money is?

17 A. Yes.

18 And you see in this correspondence and  
19 other correspondence that reflects exactly that.  
20 I have asked.

21 Q. And he has not provided it to you?

22 A. He has provided as much as he's  
23 provided.

24 Q. What does that mean, sir?

25 A. In other words, we see what his



1 AARON ETRA, ESQ.

2 response is. And so far, that's been all that's  
3 been provided.

4 Q. Has Mr. Hoang provided you with any  
5 specific information about where Benthos' money  
6 is?

7 A. After the confirmation receipt of the  
8 funds? No.

9 Q. Why do you think that is, sir?

10 A. I can't -- no basis for me answering  
11 your question.

12 Q. You believe Mr. Hoang when he tells  
13 you the money is trapped in a storage facility?

14 A. I do believe that the system does work  
15 that way.

16 Q. Because Mr. Hoang tells you so?

17 A. He and Mr. Kaslov.

18 (Pause)

19 Q. You have an account at Citibank.

20 Is that correct?

21 A. I had an account at Citibank, yes.

22 Q. Do you still have an account at  
23 Citibank?

24 A. I do not.

25 Q. Where do you bank, sir?

1 AARON ETRA, ESQ.

2 A. I bank in several banks.

3 Q. Do you have a European bank account?

4 A. Yes.

5 Q. At what bank is that account?

6 A. That bank is a bank in Europe.

7 Q. What bank is it?

8 A. That bank has nothing to do with this  
9 transaction.

10 (Pause)

11 Q. Let's go to Exhibit 6 at 399.

12 (Pause)

13 A. Okay.

14 Q. This is an e-mail thread. Begins with  
15 an e-mail from you to Tracy Evans. The subject  
16 line: Euros Paymaster Account.

17 Do you see that, sir?

18 A. Yes, I do.

19 Q. What is Euros Paymaster Account?

20 A. It is an account in Euros currency.

21 Q. Where is that account located?

22 A. It's located in Europe and has not  
23 been used for this transaction or any related  
24 transaction.

25 Q. Well, it appears to have been used in

1 AARON ETRA, ESQ.

2 relation to this transaction somehow or it  
3 wouldn't be in this book, would it, sir?

4 A. No, this was offered as an option for  
5 another buyer who wanted to pay money into not a  
6 U.S. dollar account or to a U.S. account but  
7 some account outside of the U.S. and not in U.S.  
8 dollars.

9 So it's a prospective for a buyer,  
10 which was never transpired.

11 Q. On page 398 going further up in the  
12 e-mail chain, you say: Please appreciate that  
13 using that account would require immediate  
14 payment of its 1% fee out of the amount  
15 deposited, and a transfer will require at least  
16 one day on deposit.

17 A. Yes.

18 Q. What did you mean by that?

19 A. In other words, as I indicated on the  
20 Benthos transaction, I was not compensated, have  
21 not been compensated, and was not ever  
22 contemplated to be compensated by Benthos.

23 In respect of a subsequent buyer --  
24 and especially if that European account was  
25 needed -- my arrangements are such that I do

1 AARON ETRA, ESQ.

2 need to be compensated with this 1%, and that  
3 the funds need to stay in at least one day  
4 before they are transferred out.

5 Q. Just to be clear, sir -- are you  
6 refusing to tell me the name of the European  
7 bank at which you hold an account?

8 A. I am not refusing.

9 I am saying it has nothing to do with  
10 this transaction and is not relevant.

11 Q. That may be well be true, sir, but I  
12 am asking you the name of the bank.

13 Are you going to answer the question?

14 A. It is a confidential arrangement  
15 between me and my bank.

16 Q. The identity of the bank is a  
17 confidential arrangement between you and the  
18 bank?

19 A. It is a confidential arrangement  
20 because it has nothing to do with the  
21 transaction, nothing to do with Benthos, nothing  
22 to do with anything that we are discussing here.

23 Q. In your estimation.

24 A. In my conviction -- based on the facts  
25 as I presented them.

1 AARON ETRA, ESQ.

2 Q. Ms. Evans' e-mail says: Since their  
3 bank is in Europe, why can't they use Aaron's  
4 European account?

5 Do you see that, sir?

6 A. I do.

7 Q. And then it says: One of the largest  
8 banks in Europe -- see attached.

9 A. Right.

10 Q. Do you see that, sir?

11 A. I do.

12 Q. Can you tell me why the attachment to  
13 this e-mail was not produced by you?

14 A. Probably for the reason I've just  
15 mentioned, as a confidential arrangement between  
16 me, my bank, with respect to something that has  
17 nothing to do with the Benthos transaction.

18 Q. Is it your understanding, sir, that  
19 you are not required to produce information that  
20 you deem in your estimation to be confidential  
21 in response to a lawfully-issued subpoena?

22 A. I'm saying that, in respect of matters  
23 to do with this transaction, this is not one of  
24 them.

25 Q. So is it your understanding, sir, that

1 AARON ETRA, ESQ.

2 you are not required to produce information that  
3 you deem irrelevant in response to a  
4 lawfully-issued subpoena?

5 A. It's not my deeming it irrelevant.

6 The facts are that it has not anything  
7 to do with the transaction or any of the  
8 inquiries you are making.

9 Q. And it's your understanding that you  
10 are the one who can make that determination, and  
11 determine unilaterally whether you produce  
12 documents or do not produce documents?

13 A. It's a fact. It's not a question of  
14 my determination.

15 Q. It's a fact that has yet to be  
16 determined, sir.

17 A. Well, it's a fact that -- I'm giving  
18 you the facts.

19 (Pause)

20 Q. Does the name Madzienka mean anything  
21 to you?

22 A. I'm sorry? Where are you looking?

23 Q. Madzienka?

24 A. I don't know where you are looking.

25 Q. Does that name mean anything to you?

1 AARON ETRA, ESQ.

2 A. You'll have to show me where it's  
3 written out.

4 Q. M-A-D-Z-I-E-N-K-A.

5 A. Again, you have to show me where you  
6 are looking so I can help you.

7 Q. Let's look at page 487 on Exhibit 6.

8 (Pause)

9 Q. Go to the bottom of page 487.

10 (Pause)

11 A. Bottom of 487? Okay.

12 Q. There is an e-mail from you to -- it  
13 appears -- John Austin, where you say: John,  
14 Andrew is your guy. I believe there were three  
15 Benthos people: Gerald, Mihir, and a third. Or  
16 were there only two? Andrew would know.

17 A. Okay.

18 Q. Who is Andrew?

19 A. I believe that was my thought as to  
20 who that person who brought the Benthos people  
21 on behalf of the Austins.

22 Q. Do you recall why you sent this  
23 e-mail?

24 A. I don't, actually. No, I really don't  
25 recollect.

1 AARON ETRA, ESQ.

2 Q. Do you see that John Austin replied:

3 Not sure, I will ask?

4 A. Okay. Well, I guess that's makes two  
5 of us that weren't sure.

6 Q. You replied: Thanks?

7 A. Yeah, that's friendly on my part.

8 Q. Then you forwarded that e-mail to  
9 David Hammer.

10 Do you see that, sir?

11 A. Yes.

12 Q. Then Mr. Hammer subsequently forwarded  
13 that e-mail to an a.madzienka@gmail.com.

14 Do you see that, sir?

15 A. No.

16 Q. That's at the top of the page.

17 A. Which page? 489?

18 Q. 487.

19 A. Okay. 487.

20 (Pause)

21 A. I think that's the person who does, I  
22 believe -- either his paralegal or his person  
23 doing -- reproducing the documents, copying the  
24 documents.

25 (Pause)



1 AARON ETRA, ESQ.

2 A. I'm not doing a good job in preserving  
3 this exhibit.

4 Q. That's all right. We have other  
5 copies.

6 A. Okay.

7 MR. BROMBERG: Can we take a  
8 five-minute break?

9 (Recess from 2:52 p.m. to 3:04 p.m.)

10 BY MR. BROMBERG:

11 Q. Who is Chris Yergensen?

12 A. I believe Chris Yergensen, if my  
13 memory is correct, is somebody who is a  
14 potential second buyer, as you would describe  
15 it.

16 Q. Is Mr. Yergensen still a potential  
17 second buyer?

18 A. I don't believe so.

19 Again, you'll have to ask Ms. Evans,  
20 but I haven't heard from him recently.

21 Q. Do you recall why Mr. Yergensen did  
22 not decide to buy bitcoin?

23 A. No, I do not. It's really impossible,  
24 I think, for me or anybody else to put ourselves  
25 in the mind of the potential buyer.

1 AARON ETRA, ESQ.

2 (Pause)

3 Q. Let's go to Exhibit 7 at page 904.

4 A. That's the big one, right?

5 (Pause)

6 Q. Do you recognize this document?

7 A. Do I recognize this? I don't

8 recognize it, but let me look at it.

9 Q. It's dated December 11, 2018?

10 A. Yeah.

11 Q. It is addressed to: Chris.

12 Do you see that, sir?

13 A. I do.

14 Q. It says: It was a pleasure speaking

15 with you and John yesterday.

16 Does that refresh your recollection as

17 to --

18 A. No, it doesn't -- as to who the John

19 is, yes; but who the Chris is, no.

20 (Pause)

21 Q. Let's go back to page 900.

22 A. 900, okay.

23 Q. That's an e-mail from

24 Chris Yergensen to you, dated December 10, 2018.

25 Do you see that, sir?

1 AARON ETRA, ESQ.

2 A. Yes, I do.

3 Q. Can you read what Mr. Yergensen wrote  
4 to you?

5 A. I am looking for any documentation  
6 that helps me understand the process of you  
7 obtaining the BTC from the storage facility. It  
8 appears that in order for you to do so, my  
9 client's fund must be transferred from your  
10 escrow account to a settlement account which is  
11 then used as a release of this BTC to you. Any  
12 documents between you and the storage facility  
13 which my client can rely upon would be useful.

14 Q. Did Mr. Yergensen ever receive such  
15 documents?

16 A. I don't recollect if he did.

17 Q. But subsequent to that -- the next  
18 day, in fact -- there was a letter from you to  
19 someone named Chris setting forth certain  
20 information as to your understanding of the  
21 process by which bitcoins are released from  
22 storage.

23 Is that correct?

24 A. That is correct.

25 And as I indicated earlier, the effort

1 AARON ETRA, ESQ.

2 has continued to try to find buyers who will be  
3 able to work within the procedures.

4 Q. Did you tell Mr. Yergensen that  
5 another buyer had put \$4.6 million into this  
6 storage facility and no bitcoins had come out?

7 A. I don't recollect discussing any prior  
8 purchasers or potential purchasers with Mr.  
9 Yergensen.

10 Q. Did you discuss with any potential  
11 buyer the fact that Benthos Master Fund had put  
12 \$4.6 million into this storage facility and no  
13 bitcoins had come out?

14 A. I do recollect certainly in the early  
15 stages of the looking for a second buyer that  
16 the reason for looking for a second buyer was it  
17 was impossible to release the bitcoins from the  
18 first buyer.

19 Q. That wasn't responsive to my question,  
20 sir.

21 A. Well, the answer is: Yes, as I've  
22 described it.

23 So it was not Benthos.

24 It was discussed that a buyer had  
25 contracted to buy bitcoins but insufficient

1 AARON ETRA, ESQ.

2 funds were there to release them and therefore a  
3 new buyer was needed.

4 Q. You explained to these potential  
5 buyers that this first buyer had placed its  
6 money in, and had received no bitcoins?

7 A. Yes.

8 Q. What was the response to that, in your  
9 recollection?

10 A. I didn't have any particular response  
11 to that.

12 The response was to the opportunity to  
13 purchase that wasn't focused on any one aspect  
14 of it.

15 Q. Let's go to page 869 of the same  
16 exhibit.

17 (Pause)

18 Q. That's an e-mail from you to Ms.  
19 Evans.

20 And the subject line is: Demystifying  
21 while protecting the process of contracting for  
22 Dmitri's BTCore.

23 Do you see that, sir?

24 A. I do.

25 Q. What is BTCore?

1 AARON ETRA, ESQ.

2 A. It's BTC -- so it meant for the  
3 bitcoins.

4 Q. Can you read to me the first paragraph  
5 of that e-mail?

6 A. Being unable to have direct procedure  
7 for exchanging money against delivery of BTC, we  
8 have found buyer resistance to a procedure which  
9 calls for funds to leave the control of the  
10 Escrow Agent and going to a designated account  
11 in Asia under the control of someone not in the  
12 contractual relationship with the buyer or the  
13 Escrow Agent and without a clear explanation of  
14 what happens thereafter. Under these  
15 circumstances, including the inability of you  
16 and me to ourselves know the full procedure,  
17 being able to constructively guide buyers and  
18 close transactions.

19 Then I list various things that would  
20 be my suggestions.

21 Q. Can you think of why buyers would be  
22 reluctant to enter into such a procedure?

23 A. Again, I can't put myself in the  
24 position of the buyers.

25 Obviously, each buyer would love to

1 AARON ETRA, ESQ.

2 have just a simple exchange. And I believe that  
3 this is not the only situation where simple  
4 exchange is not possible, but this has its  
5 obviously challenges.

6 Q. Do you think that -- you mentioned:  
7 Challenges.

8 Do you think that this procedure  
9 entails any risk to the buyer?

10 A. I don't know of a single transaction  
11 in cryptocurrency that doesn't involve risk.

12 Q. How many transactions have you been  
13 involved with involving cryptocurrencies?

14 A. I have explained to you: I have only  
15 been involved in this transaction.

16 Q. Do you consider yourselves an expert  
17 in cryptocurrency?

18 A. I do not. I definitely do not.

19 Q. You say: It is under these  
20 circumstances, including the inability of you  
21 and me to ourselves know the full procedure.

22 What do you mean by that?

23 A. We have tried to get as much  
24 information on all the questions that we have  
25 gone over today and elsewhere in order to be

1 AARON ETRA, ESQ.

2 able to give the utmost comfort, not only to  
3 Benthos, but to any prospective buyer.

4 Q. Do you perceive any problem with  
5 soliciting a buyer to participate in a  
6 transaction of which you do not fully  
7 understand?

8 A. First of all, I'm not soliciting any  
9 buyer.

10 Secondly, the situation is fully  
11 disclosed, as you see in the correspondence.

12 And the disclosure is something --  
13 yes, I do take seriously that requirement.

14 Q. You were seeking to act as an escrow  
15 agent in these transactions, were you not?

16 A. I wasn't seeking to act as an escrow  
17 agent, except to be able to facilitate the  
18 transaction that got us into the situation in  
19 the first place.

20 I am not adverse to acting as an  
21 escrow agent.

22 I am not soliciting that business.

23 Q. You were involved in discussions with  
24 various buyers of bitcoin involving procedures  
25 very similar to those involved in the Benthos



1 AARON ETRA, ESQ.

2 transaction, correct?

3 A. No, it is only the Benthos situation  
4 that I've discussed with buyers.

5 In other words, it's only the  
6 arrangements for Dmitri Kaslov's bitcoins, of  
7 which Benthos is a part.

8 Q. When you wrote to Ms. Evans "the  
9 inability of you and me to ourselves know the  
10 full procedure," you meant that you, in fact,  
11 did not understand the procedures by which the  
12 bitcoins were being released from storage  
13 facility.

14 Is that correct, sir?

15 A. No, the words speak for themselves.

16 "Fully understand" doesn't mean that I  
17 didn't understand.

18 I didn't have all the particulars.

19 I was very clear on that language.

20 Q. But you nevertheless were comfortable  
21 acting as escrow agent in transactions involving  
22 those procedures?

23 A. I'm only comfortable if the parties  
24 are comfortable.

25 My role is to do something with the

1 AARON ETRA, ESQ.

2 parties are comfortable.

3 I'm not a judge of that.

4 If they are comfortable, then I will  
5 act on their behalf.

6 Q. And what is your understanding of your  
7 responsibility to the parties as escrow agent?

8 A. My responsibilities are per agreements  
9 that refer to what my responsibilities are.

10 Q. Is your responsibility merely  
11 contractual?

12 A. It is primarily contractual.

13 Q. You say: Primarily contractual?

14 A. Yes.

15 Q. What other responsibility is there?

16 A. Obviously, need to act in compliance  
17 with laws and regulations.

18 Q. The law states that you are a  
19 fiduciary, doesn't it?

20 A. The law refers to my role. And my  
21 role has been clearly stated in the contractual  
22 arrangements.

23 Q. So it's your understanding that you  
24 are only obligation as an escrow agent is  
25 contractual?

1 AARON ETRA, ESQ.

2 A. My understanding is that my primary  
3 responsibility is to act pursuant to the  
4 arrangements agreed between the party disclosed  
5 to them, and in accordance with rules and  
6 regular -- applicable laws and regulations.

7 Q. That's the second time that you have  
8 stated what you believe your primary  
9 responsibility to be.

10 And my question to you was: Is it  
11 your understanding that your only obligation is  
12 contractual?

13 A. No.

14 Q. What other obligation do you have that  
15 is extra-contractual?

16 A. Applicable laws and regulations.

17 Q. And those applicable laws and  
18 regulations state that you are fiduciary to both  
19 sides of the transaction, do they not?

20 A. I have no idea what you are referring  
21 to.

22 And I have no basis of saying yes or  
23 no as to your interpretation of the law.

24 Q. You are a New York attorney, are you  
25 not, sir?

1 AARON ETRA, ESQ.

2 A. If you cite me the statute and the  
3 case law, I would be happy to look at it with  
4 you.

5 (Pause)

6 Q. Let's go to 920 of Exhibit 6.

7 A. Okay.

8 (Pause)

9 A. Okay. I'm with you.

10 Q. This appears to be an e-mail from Minh  
11 Hoang Lei to bitcoin7111@gmail.com, dated  
12 December 26, 2018.

13 It says: To Aaron Etra, Esq., as  
14 Escrow Agent.

15 Do you see that, sir?

16 A. Hm-hmm.

17 Q. It says: I am the storage facilitator  
18 for Dmitri Kaslov, the owner of bitcoins held in  
19 wallets in Dubai, UAE, and confirm the  
20 following: The name of the storage facility of  
21 which the client's funds are being credited to  
22 is a blockchain.com sub in Dubai. The  
23 designated bank account is linked to the storage  
24 facility.

25 What does that mean?

1 AARON ETRA, ESQ.

2 A. In other words, the account to which  
3 the funds are to be sent is linked to the  
4 storage facility on whose behalf the funds are  
5 being sent.

6 Q. What account is that?

7 A. It talks in terms of the one that is  
8 to be designated, or is designated. It doesn't  
9 refer to any particular one.

10 Q. Is that the bank account for HK  
11 Zhixuan Trading Limited?

12 A. Again, that would be up to Mr. Hoang  
13 to indicate if that's designated -- the  
14 designated one or not.

15 He's -- that's talking about procedure  
16 rather than a specific account.

17 Q. Do you recall whether you ever  
18 received this e-mail from Ms. Evans?

19 A. I don't recall.

20 Q. Let's go to page 922.

21 If you go back one page -- I'm  
22 sorry -- to 921 --

23 A. 921? Okay.

24 Q. -- there is an e-mail from you. It's  
25 not clear who that e-mail is to. It's dated

1 AARON ETRA, ESQ.

2 December 27, 2018, and the subject line is: BTC  
3 Attestation Letter.

4 It says: Brandon, Please find the  
5 Attestation Letter attached.

6 Do you recall sending this e-mail?

7 A. I don't recall sending it.

8 Q. There is an attachment to that, you  
9 know, which is set forth on page 922.

10 A. Okay.

11 Q. It contains an attorney's attestation.

12 Do you see that, sir?

13 A. I do.

14 Q. Can you tell me this document is?

15 A. It looks like it is a letter that  
16 contains certain attestations.

17 Q. What are you attesting to in this  
18 letter, sir?

19 A. What I am attesting to is what's  
20 written in the letter.

21 Q. So you are attesting to the fact that  
22 the name of the storage facility of which the  
23 client's funds are being credited to is a  
24 blockchain.com sub in Dubai?

25 A. As -- it's based on the attestation

1 AARON ETRA, ESQ.

2 and affirmation of Mr. Hoang. And that's his  
3 attestation that I refer to.

4 If you read the prior paragraph, it's  
5 the introduction to those items.

6 So I'm essentially conveying in that  
7 attestation what I have received from Mr. Hoang.

8 So it's not my -- it's not based on my  
9 knowledge and belief. It's based on what I  
10 received from Mr. Hoang.

11 Q. You are attesting to this information,  
12 are you not?

13 A. I'm attesting to what I say in this,  
14 which is information I received from him.

15 Q. You say it's based on that  
16 information?

17 A. That's correct, yes. That's the  
18 only --

19 Q. You are attesting to the truth of this  
20 information?

21 A. I am not.

22 I am saying that this is what he has  
23 said.

24 Q. What was the purpose of this document?

25 A. As I recollect -- and, again, I'm not

1 AARON ETRA, ESQ.

2 totally clear -- that it was probably requested  
3 by a prospective buyer.

4 Q. Did you speak to Mr. Hoang about this  
5 document?

6 A. Well, it was based on what Mr. Hoang  
7 had conveyed to Ms. Evans, which was transmitted  
8 to me, which is what we were just looking at.

9 Q. Did you do any due diligence to  
10 confirm the truth of the things that Mr. Hoang  
11 told you before you conveyed them to a third  
12 party?

13 A. No, because what I was conveying was  
14 his information rather than anything else.

15 Q. What was the purpose of conveying the  
16 information through yourself, as opposed to him  
17 simply conveying to that third party?

18 A. I was asked to do this.

19 Q. Why were you asked to do this?

20 A. No doubt because the buyer had asked  
21 for it.

22 Q. If the information is coming from Mr.  
23 Hoang and you are not attesting to the truth of  
24 that information, then what is the purpose of  
25 this letter?



1 AARON ETRA, ESQ.

2 A. The purpose is exactly as it stands.

3 It's to convey the information on  
4 these items. It's up to the person who received  
5 it to determine whether they relied on it, don't  
6 rely on it --

7 Q. But the information is being conveyed  
8 by a licensed attorney in good standing  
9 authorized to practice law in the State of New  
10 York since 1966?

11 A. That is correct.

12 That has nothing to do with the  
13 validity of what's being conveyed.

14 Q. Not from a gentleman with a random  
15 e-mail address?

16 A. Well, what random e-mail address are  
17 you referring to?

18 Q. The address of Mr. Minh Hoang Le.

19 A. That's not being conveyed as my  
20 information. It's his information, so please  
21 don't misconstrue it.

22 (Pause)

23 Q. Tell me about Insight Communications.

24 A. Can you show me where that appears,  
25 please?

1 AARON ETRA, ESQ.

2 Q. Does the name ring a bell to you?

3 A. Offhand, it does not.

4 Q. How about Giovanni?

5 A. Giovanni is a very common first name.

6 Q. So the name Giovanni means nothing to  
7 you?

8 A. I have come across many Giovanni's in  
9 my lifetime.

10 Q. Let's look at 936.

11 (Pause)

12 Q. There is an e-mail on 936. This is  
13 936 on Exhibit 7.

14 It's an e-mail from Tracy Evans to  
15 Minh Hoang Le, dated March 3rd, 2019.

16 She writes: Aaron said to tell you he  
17 also has a serious buyer, Austin, the one he met  
18 in Frankfurt, and they have funds and can go as  
19 well.

20 Who is the serious buyer, Austin?

21 A. This was somebody that actually was  
22 referred. That's his first name, Austin.

23 Q. What's his last name?

24 A. It's confidential.

25 Q. Is it Yavorsky?

1 AARON ETRA, ESQ.

2 A. No --

3 Well, it's confidential.

4 Q. Is it Yavorsky?

5 A. It's confidential.

6 (Pause)

7 Q. You see later on in that e-mail, it  
8 says: Below is the information I sent you when  
9 you had the hacking issue so I do not know if  
10 you saw it. It is for -- and the name is  
11 redacted -- in Singapore through Giovanni, the  
12 broker.

13 Do you see that, sir?

14 A. This is from Ms. Evans to Mr. Hoang?

15 Q. Yes.

16 A. Enclosed the information I sent you  
17 when you had the hacking issue so I don't know  
18 when you saw it.

19 Okay.

20 Mr. Hoang told us his e-mail had been  
21 hacked.

22 Q. Do you see the reference to:  
23 Giovanni?

24 A. I put Giovanni on the phone with  
25 Dmitri -- I do see that, yes.

1 AARON ETRA, ESQ.

2 Q. Does that refresh your recollection as  
3 to who Giovanni is?

4 A. No, it does not.

5 (Pause)

6 Q. Who is Don James?

7 A. I have never interacted with that  
8 gentleman, but to the best of my knowledge it's  
9 somebody that Ms. Evans and Dmitri Kaslov know,  
10 but I do not.

11 Q. What is Project Genesis?

12 A. Best of my understanding and  
13 recollection, it's an organization that Dmitri  
14 Kaslov has a relationship with.

15 Q. Do you know anything else about  
16 Project Genesis?

17 A. I do not.

18 Q. How about Velantis?

19 Does that name ring a bell to you?

20 A. Yes.

21 Q. Tell me about Velantis.

22 A. It's the name of a company.

23 Q. What kind of business is that company  
24 engaged in?

25 A. I believe it's something in finance.

1 AARON ETRA, ESQ.

2 Q. You don't remember anything else about  
3 Velantis?

4 A. Well, my understanding is -- tell you  
5 about the company. It's a company involved in  
6 finance.

7 Q. Have you ever personally been involved  
8 in any transaction or potential transaction  
9 involving Velantis?

10 A. Velantis was one of the prospective  
11 second buyers.

12 Q. Tell me more.

13 A. That's all I know.

14 (Pause)

15 Q. How many times have you served as an  
16 escrow agent during your career?

17 A. I can't really count that number.

18 Q. More than 50 times?

19 A. It may well have been more than 50  
20 times.

21 Q. Was it more than 100 times?

22 A. My estimate, again, is purely an  
23 estimate -- somewhere in that range.

24 Q. Has there ever been any other instance  
25 where you sent money out of your escrow account

1 AARON ETRA, ESQ.

2 without proper authorization?

3 A. Not without -- no.

4 Q. Has anyone ever accused you of sending  
5 money out of your escrow account without  
6 authorization?

7 A. Yes.

8 Q. Was there a finding of a court of  
9 competent jurisdiction that you, in fact, did  
10 that?

11 A. There was a finding of a court of  
12 competent jurisdiction about that situation  
13 without impugning that I was guilty of sending  
14 out without authorization.

15 Q. Was there any finding of fact in that  
16 case?

17 A. There were many findings of fact in  
18 that case.

19 Q. What was the resolution of that case?

20 A. The resolution of that case? I have  
21 to pay the person whose funds had been  
22 apparently misused by the person who received  
23 the funds and I was left with the responsibility  
24 of reimbursing that person -- that individual.

25 Q. You say the funds were apparently

1 AARON ETRA, ESQ.

2 misused.

3 I'll ask you again, sir: Was there a  
4 finding of fact that the funds were misused?

5 A. There was no finding of fact that the  
6 funds were misused.

7 (Pause)

8 A. The finding was that the gentleman  
9 complained that he -- that his investment was  
10 lost.

11 Q. He sued you, did he not?

12 A. He did.

13 (Pause)

14 MR. ETRA: I object to including this  
15 matter. It has nothing to do with this matter.  
16 I object to this line of questioning.

17 MR. BROMBERG: Your objection is  
18 noted, sir.

19 (Exhibit Etra 25, Four-page document  
20 entitled: Judgment, dated October 30, 2014 (no  
21 Bates Nos.), marked for identification)

22 MR. BROMBERG: You have been handed a  
23 document that's marked as Exhibit 25.

24 BY MR. BROMBERG:

25 Q. What is that document?

1 AARON ETRA, ESQ.

2 A. I refuse to answer any questions in  
3 respect of it.

4 Q. It's a judgment, isn't it, sir?

5 A. I refuse to answer any questions in  
6 respect of it.

7 It is totally irrelevant to this  
8 matter.

9 Q. You testified, sir, there has never  
10 been a finding of fact in any court that you  
11 misused escrow funds.

12 Is that correct?

13 A. I gave my testimony as I gave it, yes.

14 (Exhibit Etra 26, Single-page document  
15 entitled: Grasshoff v. Etra Opinion, dated  
16 January 19, 2016 (no Bates No.), marked for  
17 identification)

18 BY MR. BROMBERG:

19 Q. Exhibit 26 is an opinion of the  
20 Supreme Court of the New York, Appellate  
21 Division, First Department.

22 Can you read to me the second-to-last  
23 paragraph of that opinion, sir?

24 A. I refuse to answer any questions in  
25 respect of this one.



1 AARON ETRA, ESQ.

2 Q. It says: Plaintiff established his  
3 prima facie entitlement to summary judgment on  
4 his conversion claim by submitting deposition  
5 testimony, financial transfer documents, and  
6 correspondences showing that he transferred his  
7 personal funds into an apparent escrow account  
8 maintained by defendant, that defendant  
9 intentionally retransferred those funds to a  
10 different individual without plaintiff's  
11 permission, and that the transfer effectively  
12 deprived plaintiff of the funds, which were  
13 never recovered.

14 This is Grasshoff v. Etra, 135 A.D. 3d  
15 574.

16 A. It has absolutely nothing to do with  
17 this matter, totally irrelevant, and --

18 Q. It's a remarkably similar fact  
19 pattern, isn't it, Mr. Etra?

20 A. It is not. Totally different fact  
21 pattern.

22 Q. Why was Valkyrie the seller in this  
23 transaction and not Dmitri Kaslov?

24 A. That's a question for Valkyrie.

25 But my understanding was that they

1 AARON ETRA, ESQ.

2 were entering into that arrangement so that they  
3 could receive a portion of the discount that was  
4 available on the transaction.

5 Q. You did not provide the information  
6 and documents requested by Seward & Kissel  
7 because Mr. Fong told you you did not have to do  
8 that.

9 That was your testimony, correct?

10 A. Correct.

11 Q. Did Mr. Fong tell you that you did not  
12 have to provide the information and documents  
13 that were requested in Mr. Popofsky's letter to  
14 Mr. Hess?

15 A. That point -- I had no discussion with  
16 Mr. Fong on that matter.

17 Q. So you just don't recall either way  
18 whether you got the September 28 letter?

19 A. Correct.

20 Q. Following the request from Seward &  
21 Kissel on August 31 and from this firm on  
22 September 28, you provided none of the  
23 information or documents requested in those  
24 letters until you were ordered to do so by a  
25 federal judge under threat of incarceration.

1 AARON ETRA, ESQ.

2 Isn't that correct?

3 A. I provided it in a time when I thought  
4 it was -- I did provide it at that point, yes.

5 The answer is: Yes.

6 Q. Does the name Symphony FS Limited  
7 sound familiar to you?

8 A. I believe so, yes.

9 Q. What is Symphony FS Limited?

10 A. I believe it's a company.

11 Q. How do you know that name?

12 A. I have had communications on their  
13 behalf.

14 Q. When you say "on their behalf," do you  
15 mean that you were representing Symphony FS  
16 Limited?

17 A. No.

18 Q. So what do you mean by that statement?

19 A. I received communications from an  
20 attorney acting on their behalf.

21 Q. About what?

22 A. Asking for information.

23 Q. About what?

24 A. Again, that's nothing to do with this  
25 matter.

1 AARON ETRA, ESQ.

2 Q. Was it about bitcoin?

3 A. Was it about bitcoin? Yes.

4 Q. Was Symphony acting as a potential  
5 second buyer?

6 A. No.

7 Q. So why were you receiving an inquiry  
8 about bitcoin from Symphony?

9 A. I believe that's nothing to do with  
10 this matter and that's not -- not relevant to  
11 this matter.

12 Q. Are you aware that Symphony is  
13 involved with litigation with Velantis?

14 A. Yes.

15 Q. And what do you understand that  
16 litigation to be about?

17 A. I believe it's about the bitcoin  
18 matter.

19 Q. A bitcoin matter.

20 A. Yeah.

21 Q. Can you tell me anything else?

22 A. No.

23 Q. So you don't know anything about the  
24 substance of that litigation?

25 A. I have not been involved in the

1 AARON ETRA, ESQ.

2 substance of that litigation, no.

3 Q. How do you know they are involved in  
4 litigation?

5 A. By the fact that the letter from their  
6 lawyer so indicated.

7 Q. Do you know anything about the  
8 substance of the litigation between Symphony and  
9 Velantis?

10 A. I have no knowledge of the substance  
11 of that litigation, no.

12 Q. You have none currently?

13 A. What's that?

14 Q. Did you ever know anything about that  
15 lawsuit?

16 A. No.

17 Q. How about GSR?

18 Does that mean anything to you?

19 A. GSR? Not as such.

20 Q. You have never heard the name GSR?

21 A. I don't know if I have or have not.

22 If you show me something that  
23 references it, I'd be happy to comment on it.

24

25

1 AARON ETRA, ESQ.

2 (Exhibit Etra 27, Multipage document  
3 entitled: Complaint, dated March 1, 2019 (no  
4 Bates Nos.), marked for identification)

5 BY MR. BROMBERG:

6 Q. Does this refresh your recollection as  
7 to GSR?

8 A. No, does not.

9 Q. Have you ever seen this document  
10 before?

11 A. I have not.

12 Q. This is a complaint in a civil federal  
13 action.

14 Do you see that?

15 A. I see that's what it says.

16 Q. You see that the plaintiff is GSR  
17 Markets Limited?

18 A. I do.

19 Q. Do you see that the defendants are  
20 Diana McDonald, McDonald Law Group LLC doing  
21 business as Law Offices of Diana McDonald, LLC,  
22 Valkyrie Group, LLC, Hugh Austin, Brandon  
23 Austin, and Wells Fargo Bank, N.A.?

24 A. I know nothing about this, and I have  
25 not been involved in anything with this.

1 AARON ETRA, ESQ.

2 Q. Well, let me tell you something about  
3 this litigation, sir, if I may.

4 A. Well, I think it's irrelevant to our  
5 situation, so it's a bit of a waste of our  
6 collective time.

7 Q. Oh, how can you make that  
8 determination without actually knowing the  
9 substance of the allegations in the complaint,  
10 sir?

11 A. Because I have no basis of being  
12 involved in it, and no basis of any connection  
13 to it. That's how.

14 Q. Well, let me give you that basis, sir.

15 Is that okay?

16 A. No, it's not okay.

17 You are abusing this process by  
18 bringing something that's totally irrelevant and  
19 I have nothing to do with.

20 Q. So you don't think there is any  
21 potential connection between this case and our  
22 case?

23 A. I'm saying that I have no knowledge of  
24 it and no involvement in it.

25 So the answer is: Yes, I do believe

1 AARON ETRA, ESQ.

2 that there is no basis for this line of  
3 questioning.

4 Q. Let me tell you, sir, that the  
5 allegation in this action is that GSR Markets  
6 Limited contracted with Valkyrie Group, LLC to  
7 purchase a quantity of bitcoin.

8 And GSR Markets Limited submitted  
9 money to an escrow agent by the name Diana  
10 McDonald.

11 And that escrow agent sent a  
12 substantial portion of that money overseas to  
13 places and persons unknown, never to be seen or  
14 heard from again.

15 A. It has nothing to do with me.

16 Please, I think you are abusing the  
17 process by even taking the time to discuss this.

18 It has nothing to do with me. I know  
19 nothing of it. Not been involved in it.  
20 Nothing to do with my role in the present  
21 situation.

22 Q. Well, the seller in this transaction,  
23 sir, was Valkyrie?

24 A. That's Valkyrie. I am not Valkyrie.

25 Q. So this is the second transaction,



1 AARON ETRA, ESQ.

2 sir, where Valkyrie Group LLC was the seller of  
3 bitcoin --

4 A. I have no idea what --

5 Q. -- and money was disbursed by an  
6 escrow agent, and never seen again.

7 A. -- I'm sorry, Mr. Bromberg, this is a  
8 line of questioning that's nothing to do with  
9 me.

10 You are abusing my time by asking me  
11 on something that I have told you I have nothing  
12 to do with, no knowledge of, no connection to.

13 It is a total abuse of time.

14 Q. Do you believe it's a mere  
15 coincidence, sir --

16 A. I have no --

17 Q. -- that the same thing --

18 A. -- basis --

19 Q. -- that happened to Benthos Master  
20 Fund happened --

21 A. -- that you're making --

22 Q. -- to GSR Markets Limited?

23 A. -- your making your statements doesn't  
24 make it, in any event, relevant or any more  
25 applicable to taking my time to discuss this.

1 AARON ETRA, ESQ.

2 Please do not.

3 Q. What do you think happened in this  
4 case, sir?

5 A. Again, you are abusing my time. I am  
6 not -- I am not --

7 Q. -- this case --

8 A. -- I am not --

9 Q. -- the case of Benthos Master Fund?

10 A. I have given you the testimony of what  
11 I did and what my involvement is.

12 And that's my testimony.

13 Q. What do you think happened in this  
14 case?

15 A. I'm not giving you any conjecture as  
16 to what I think.

17 I have just told you what I did and  
18 what my responsibilities are.

19 Q. It continues to be your testimony here  
20 today that everyone involved in this transaction  
21 between Benthos Master Fund and Valkyrie LLC was  
22 acting in good faith and continues to be acting  
23 in good faith?

24 A. I described my role in it and my  
25 belief that people were acting in good faith,

1 AARON ETRA, ESQ.

2 yes.

3 Q. Why does Benthos not have its bitcoin  
4 or money back? --

5 A. I can't answer all the world's  
6 questions, including that one.

7 Q. Who is responsible for this?

8 A. The parties entered into the  
9 agreements that they entered into, and the  
10 consequences were the consequences.

11 Q. Has Benthos' money been stolen?

12 A. I have no basis of determining one way  
13 or the other.

14 My belief is it that it has not been  
15 stolen, no.

16 Basis of --

17 Q. What is the basis for your belief that  
18 the money has not been stolen?

19 A. The basis that the people involved  
20 have been acting in good faith.

21 Q. Based on what?

22 A. Based on their affirmations, based on  
23 their actions, based on the communications that  
24 they have given.

25 Q. What affirmation of the Austin family

1 AARON ETRA, ESQ.

2 have you received that they were acting in good  
3 faith?

4 A. I'm talking about in some cases it's  
5 affirmation, some cases it's action.

6 The facts are as I have presented  
7 them, as far as my involvement. That's all can  
8 I comment on.

9 I can't conjecture. I can't give you  
10 theories.

11 I can only give what you I've done,  
12 how I've lived up to my responsibilities.

13 MR. BROMBERG: All right. Let's take  
14 five minutes. I think we are almost done.

15 (Recess from 3:41 p.m. to 3:47 p.m.)

16 BY MR. BROMBERG:

17 Q. What have you been told by the Austins  
18 that makes you believe they are proceeding in  
19 good faith?

20 A. It's their action -- that they have  
21 been also trying to find buyers since the  
22 indication of the problem. So it's really their  
23 action rather than what they have told me.

24 Q. When you say they are trying to find  
25 buyers, do you mean they are trying to find

1 AARON ETRA, ESQ.

2 buyers in the context of this transaction?

3 A. Yes.

4 I know nothing about what other  
5 transactions are involved.

6 Q. What efforts have the Austins made in  
7 the last three months to find buyers of Mr.  
8 Kaslov's bitcoin?

9 A. They preferred a number of potential  
10 buyers.

11 Q. How many?

12 A. The best of my knowledge and belief,  
13 three, four, I think -- certainly four.

14 Q. And you communicated with them in  
15 connection with those three or four potential  
16 buyers of Mr. Kaslov's bitcoins?

17 A. I don't know if I've communicated with  
18 all of them.

19 And I don't know the full extent of  
20 what they have done.

21 Q. There was a call for all of those  
22 communications to be produced.

23 A. All of those ones that I have been  
24 involved with were, I believe, either submitted  
25 by me, or Ms. Evans has those.

1 AARON ETRA, ESQ.

2 Q. And it's based on those that you  
3 believe the Austins are proceeding in good  
4 faith?

5 A. Yes.

6 Q. What makes you believe that Minh Hoang  
7 Le is proceeding in good faith?

8 A. Based on his willingness to be in  
9 communications, based on his action when he went  
10 to Dubai, based on his continuing availability.

11 Q. When was the last time you spoke to  
12 Mr. Hoang?

13 A. I haven't spoken to him for some time.

14 Ms. Evans has been the one primarily  
15 speaking to him recently.

16 Q. What assurance have you received from  
17 Mr. Kaslov that he is proceeding in good faith?

18 A. He has been in communications with Ms.  
19 Evans.

20 (Pause)

21 Q. Do you have any other suggested  
22 solutions to how Benthos can retrieve its money?

23 A. I do not.

24 Q. If you were in Benthos' position, what  
25 would you do?

1 AARON ETRA, ESQ.

2 A. I would do my utmost to work together  
3 with their counter-party and with the owner of  
4 the asset to see whether the collective wisdom  
5 can come up with another solution.

6 Q. It is your testimony, sir, that you  
7 have been selflessly being trying to assist  
8 Benthos to recovery its money?

9 A. Yes.

10 Q. From August?

11 A. Yes.

12 Q. Through today?

13 A. Yes.

14 Q. And that you have done everything in  
15 your power that you could possibly do to help  
16 them retrieve their money?

17 A. Yes.

18 (Pause)

19 Q. Does the name Isaac Austin mean  
20 anything to you?

21 A. Isaac Austin? No.

22 Again, can you help me as to where  
23 it's reflected?

24 Q. Doesn't sound familiar to you?

25 A. Isaac Austin? No.

1 AARON ETRA, ESQ.

2 Q. How about Amy Tran?

3 A. Yes.

4 Q. Yes.

5 What can you talk about Amy Tran?

6 A. Amy Tran is a broker.

7 Q. Whom does Ms. Tran represent?

8 A. She represents, I'm sure, a fair  
9 number of people, but her objective is to  
10 function as a broker.

11 (Pause)

12 Q. Did you have the opportunity to  
13 consult with counsel in connection with the  
14 subpoena that you received?

15 A. No.

16 Q. You did not have the opportunity to  
17 consult counsel?

18 A. No.

19 Q. Who deprived you of the opportunity to  
20 consult counsel?

21 A. Maybe I misunderstood your question.

22 I didn't consult with counsel. It was  
23 my decision.

24 Q. You chose not to consult with counsel,  
25 correct?



1 AARON ETRA, ESQ.

2 A. Yes.

3 Q. You chose not to have counsel appear  
4 with you today.

5 Is that correct?

6 A. Yes, that is correct.

7 (Pause)

8 Q. Does Ms. Evans know that you are  
9 appearing here today?

10 A. Yes.

11 Q. When was the last time you spoke to  
12 Ms. Evans?

13 A. It was earlier this week. I don't  
14 recollect whether it was Monday or Tuesday --  
15 earlier this week.

16 Q. What did you talk about with Ms.  
17 Evans?

18 A. Whether she had any news, any new  
19 developments, whether I had any news or new  
20 developments.

21 Q. Were there any news or new  
22 developments?

23 A. No, not this week, no.

24 Q. How about last week?

25 A. I don't think last week either.

1 AARON ETRA, ESQ.

2 Q. How about the week before that?

3 A. I think it's been some time since  
4 there has been -- I do get calls from, you know,  
5 buyers or brokers who are looking to present  
6 buyers. So that's something that I share with  
7 her, until they come forward with something more  
8 serious.

9 (Pause)

10 Q. Let's go back to Exhibit 6 at page  
11 347.

12 (Pause)

13 Q. I believe you previously testified,  
14 sir, that you took instructions from Ms. Evans  
15 as to where the money should be sent from your  
16 escrow account?

17 A. It was instructions from Mr. Kaslov  
18 communicated by Ms. Evans.

19 Q. You also recognize, sir, that the  
20 language of the contract provides only that you  
21 are to take instructions from Valkyrie, correct?

22 A. It said "the seller," but it was  
23 understood by Valkyrie and Benthos that the  
24 seller -- the ultimate seller was Mr. Kaslov.

25 Q. Can you read to us paragraph 15.1 of

1 AARON ETRA, ESQ.

2 page 347?

3 A. This Agreement, together with all the  
4 schedules and -- exhibits hereto and therein and  
5 other certificates and other written instruments  
6 delivered in connection herewith from time to  
7 time and following the date hereof constitute  
8 and contain the entire agreement and  
9 understanding between all Parties with respect  
10 to the subject matter hereof and thereof and  
11 supersedes any and all prior negotiations,  
12 correspondence, agreements, understandings,  
13 duties, or obligations between both Parties and  
14 respecting the subject matter here of and  
15 thereof. This Agreement may be amended and  
16 revised only by written agreement signed by both  
17 Parties. All communications and notices between  
18 the Parties will be in writing or sent by E-mail  
19 to the persons and addresses set forth below,  
20 effective on confirmed dispatch, or to such  
21 persons and E-mail addresses as are notified  
22 pursuant hereto.

23 Q. Is there any other testimony that you  
24 wish to add?

25 A. No.

1 AARON ETRA, ESQ.

2 MR. BROMBERG: I have no further  
3 questions at this time.

4 But we reserve the right to call you  
5 back in the event that becomes appropriate for  
6 whatever reason.

7 And we appreciate your appearing  
8 today.

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1 AARON ETRA, ESQ.

2 THE WITNESS: Thank you. I  
3 appreciated the hospitality. Thank you.

4 \* \* \*

5 E N D O F P R O C E E D I N G

6 Time noted 3:57 p.m.

7 \* \* \*

8  
9  
10  
11 \_\_\_\_\_  
AARON ETRA, ESQ.

12  
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14  
15 Subscribed and sworn to before me  
16 this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

17  
18  
19 \_\_\_\_\_  
20 NOTARY PUBLIC

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22  
23 My Commission expires:  
24  
25

AARON ETRA, ESQ.

E R R A T A

STATE OF NEW YORK

COUNTY OF NEW YORK

I wish to make the following changes, for the  
following reasons:

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AARON ETRA, ESQ.

1 AARON ETRA, ESQ.

2 C E R T I F I C A T E

3 STATE OF NEW YORK

4 COUNTY OF NEW YORK

5  
6 I, BRANDON RAINOFF, a Federal Certified  
7 Realtime Reporter and Notary Public within and for  
8 the State of New York, do hereby certify:

9 That AARON ETRA, ESQ., the witness  
10 whose deposition is hereinbefore set forth, was duly  
11 sworn by me and that such deposition is a true record  
12 of the testimony given by the witness.

13 I further certify that I am not related  
14 to any of the parties to this action by blood or  
15 marriage, and that I am in no way interested in the  
16 outcome of this matter.

17 IN WITNESS WHEREOF, I have hereunto set  
18 my hand this 12th day of April, 2019.

19  
20  
21 \_\_\_\_\_  
22 BRANDON R. RAINOFF, RMR, CRR, RPR, FCRR  
23  
24  
25